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BUSINESS

0.32;

(SwFr 2.114)

(\$308.5). Page 24

£ gains

45 points

(Y255.6). Its trade-weighted index was 120.4 (121.3). Page 32

London. in New York the Comex June close was \$304.3

TIN PRICES continued to

rally following the decision to

operate the Sixth International

Tin Agreement from July 1

two day rise of £295. Page 24

EQUITIES turned back after

early firmness. The FT 30-share index closed 1.7 down at 554.2.

• WALL STREET was 3.05

down at \$10.12 near the close.

• EUROPEAN COMMISSION

has cut third quarter produc-

tion quotas for EEC steelmak-

ers by up to 20 per cent because

of falling demand. Back Page

• BELGIUM has set a target of

1986 for ending foreign borrow-

• PUBLIC SECTOR would re-

duced from each North Sea

licence, Energy Secretary Nigel Lawson said. Page 10; Oil spot

• BRITISH GAS is planning to

build a £15m waste heat

recovery plant, said to be the

first of its kind in Europe. Page

• BURNLEY and Provincial

are planning the largest merger

in building society history.

. MASTERCARD, the U.S.

based credit card association,

is opening its first London office. Page 9

• ENGINEERING apprentice-ships, are expected to be a record low of 8,960 this year.

compared with over 25,000 in the best years of the 1960s and

• TRUSTHOUSE FORTE made

lower taxable profits of £12.1m against £14m for the half year

in April 30. Page 20; Lex, Back

• REDLAND, supplier of con struction materials, saw pre-lax profits (all to £43.51m (£46.76m)

four the year to March 27. Page

20: Lex, Back Page

1970s. Page 9

ings by the State.

prices, Page 24

Page 3L

Page 30

at 69.07. Page 31.

Standard Grade

SwFr

and Y254.6

Gilts up

CONTINENTAL SELLING PRICES: AUSTRIA Sch. 15; BELGIUM F- 35; DENMARK Kr 6.50; FRANCE Fr 5.00; GERMANY DM 2.0; ITALY L 1.000. NETHERLANDS FI 2.25; NORWAY Kr 8.00; PORTUGAL Esc 50; SPAIN Pts 85; SWEDEN Kr 6.00; SWITZERLAND Fr 2.0; EIRE 50p; MALTA 30c

NEWS SUMMARY

GENERAL

Scargill walk-out over closures

Scargill walked out of a meeting with the National Coal Board after 31 minutes to threaten industrial action in the

He said the board has reneged on an undertaking," Page 32 given on May 19, to produce a list of pits due for closure.

Mr Scargill added that if the board did not withdraw plans to cease production at Snowdown colliery in Kent the NUM executive would decide on industrial action at its meeting on Thursday. The decision would then be put as a recommendation to the union's annual conference in inverness, the following week. Back Page

Row looming

Mrs Margaret Thatcher faces a growing row over the form of the promised inquiry into the origins of the Falklands crisis and over her actions in the weeks preceding the Argentine invasion. Back Page

Foot firm

Labour leader Michael Foot appeared to rule out any chance of the Militant Tendency remaining in the Party after the autumn. He said he was prepared to ride out any storm of protest from the far Left. Back

Spies jailed

Latin Americans Luis Garcia Fernandez and Antonio Sanchez were jailed for seven years at the Old Bailey, for spying for

Mugabe attack

Gunmen attacked the homes of Zimbabwe. Premier Robert his cabinet colleague Enos Nkala. Neither was hurt. Page 4. Former Rhodesjan Premier lan Smith was "comfortable" in hospital after collapsing in Parliament.

Briton 'guilty'

British archaeologist Ralph Wilson was found guilty in of subversion and smuggling ancient treasures from Afghanistan. Sentence has not been announced.

Curfew to end

Overnight curfew in Warsaw is tain access to half the oil proto he lifted from July 1, the Polish martial law authorities

Border protest

The council of La Linea de la Concepcion, near Gibraltar. asked residents to turn off lights for five minutes in protest at Spain's decision to postpone opening the border with . LONRHO executives clashed the British colony.

Library wrecked

About 50 demonstrators, said to nelong to India's Communist Party, wrecked the American Library in Calcutta.

Test score

England were 239 for five (Botham 60 not out) after the first day in the Second Test

against India, at Old Trafford. Cheer for Scots

Hundreds of soccer fans theered the Scottish World Cup squad when they arrived at Glasgow. In Spain. Algeria beat Thile 3-2 and France drew 1-1

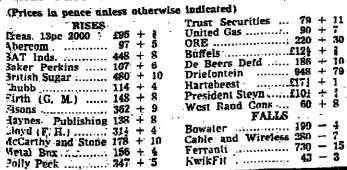
with Czechoslovakia. Briefly . . . Three people were killed when

inipers fired on a group fishing in Columbia, Tennessee. Brussels is spending £3.400 on

ecial holsters for leit-handed Denmark, Norway and Sweden

· SANGERS, the photographic and pharmaceutical distributor. ire to re-establish diplomatic inks with the Vatican. They lost £2.94m (£5,000 profit) before tax in the year to Februwere broken during the ary 28. Page 21 Reformation..

CHIEF PRICE CHANGES YESTERDAY



Weighell calls on miners to back total rail stoppage

BY JOHN LLOYD, LABOUR EDITOR

THE RAIL STRIKE called ever, inevitable. Mr Sidney Weighell, general secretary of the National Union of Railwaymen, STERLING rose 45 points in London to \$1.7365. It eased to DM 4.285 (DM 4.29), FFr 11.885 (FFr 11.965), SWFr 3.6475 (SWFr 3.6625) and V4425. (V443). He inches yesicrday issued a call to area leaders of the mineworkers' union to strike for one or two days next week as a gesture of solidarity with railwaymen. He also called on them to ensure that coal supplies to power stations, normally moved by rail, would not be transported DOLLAR fell to DN 2.4655
 (DM 2.475). FFr 6.845

by road. Mr Weighell said: "We are going to win and I will use all the resources of this union. This will be a tough and rough battle which I would prefer not to be in. It is not of my choos-

ing."
Two moves to avert the strike were under way yester-day, but neither held out much

prospect of success. The Advisory Conciliation and Arbitration Service called in all parties for separate talks. How-

ACAS officials were off. He said the railway system

called for the pay dispute to be Buckton, general secretary of the train drivers' union Aslef, said that all negotiating pro-cedures had not yet been ex-

However, Mr Buckton con- financial investment ceded that there was little possibility of the strike being called

Tube system will close today

THE EXECUTIVE of the National Union of Railway-men (NUR) last night called out all 14,000 of its London Underground staff on official strike from midnight. The move came a few hours after

privately deeply pessimistic of could not run without the par-having any effect in the two tripation of NUR members. remaining days.

British Rail began posting Mr Tom Jenkins, general notices at all main-line stations, secretary of the Transport and warning passengers that the ser-Salaried Staffs Association, has vice could begin to close as early as Sunday afternoon. The referred to the railway staff notices exhort staff to report for national tribunal, and Mr Ray work on Monday and say an work on Monday and say an attempt will be made to run

The Prime Minister told the House of Commons that a strike "bleed the railways of

Transport (LT) appeared to

Editorial Comment, Page 18 Scargill threat. Back Page

have been clinched, writes David Goodhart. The system will now he completely closed, including Victoria Line and the small number of shuttle ser-Continued on Back Page

Health Service workers to stage three-day stoppage

BY IVO DAWNAY, LABOUR STAFF

the TUC yesterday announced three-day national stoppage To increase selective stop-from July 19-21. But at a sep-pages of key staff groups, such of Nursing, representing 180,000 The London cash price closed £30 up at £6,440 a tonne for a NHS nurses, found itself totally split over whether to pursue

> ated ment on its final offer of 7.5 per cent for nurses and 6 per cent for ancillary staff and other

The committee also agreed:

as boilermen, engineers, labora-

The TUC committee also to the negotiators' decision to ing the Advisory Conciliation country would find any break off talks with the Govern- and Arbitration Service to seek settlement unacceptable.

through blood vessels.

tiple sclerosis

autumn.

on patients.

Professor

renew detailed talks with management on the Governman, the RCN agreed to return

The Royal College of Nursing's leadership has clearly been shaken by the strength of livity of property being reopposition to a 7.5 per cent settlement within the union. Several non-voting members of the labour relations committee, made clear yesterday that RCN nurses in many parts of the country would find any such

that an agreement to renew talks

HEALTH SERVICE unions in 108 affiliated unions, to recalate tee split 44 over whether to

pursuit of higher pay with a arate meeting the Royal College

further negotiations on the Government's 7.5 per cent pay The TUC Health Service Committee's new strike call came the Whitley Councils—the bi-after officials from all 11 affili- lateral NHS negotiating forums. • GILTS: the Government Securities index closed 0.32 up unions, representing 600,000 staff, gave full backing announced that it would be ask-

sympathetic action, on behalf of

tory and scientific staff.

To instruct regional co-ordinating committees of Health Service unions to initiate their own programme of one-day strikes before the three-day stoppage. • To boycott any meeting of

further talks with the Department of Health and Social

ment's latest offer to nurses at a stormy meeting. However, on the casting vote of Mr Ian Hargreaves, the committee chairto negotiations next Tuesday.

Dame Catherine Hall, the

RCN general-secretary, who an-Security, aimed at persuading nounced the committee's decithe Government to increase its sion, took care to emphasise The TUC committee, "Totally pay offers.

that an agreement to renew talks endorsed the rejection of a deal The Royal College of Nursdid not entail any commitment and appealed to the Congress' ing's labour relations committed accept the offer.

GEC to develop diagnostic aid

BY DAVID FISHLOCK, SCIENCE EDITOR

marketing and further developing a powerful instrument for diagnosing disease, the Neptune NMR. was announced yesterday by Picker International, a GEC subsidiary specialising in X-ray and other medical equip-

Picker's initial programme includes assembly of 12 Nepwith House of Fraser directors tunes, selling at up to £650,000 at the group's annual meeting over the right to issue more each, two of which are destined shares. Back Street; Details, Page 22 for UK hospitals.

Picker, a U.S.-based company. s involved in a race to deliver the first production model of the machine which uses a new diagnostic technique. It will be available this year. Picker says it is running neck and neck with its closest rival, Technia subsidiary of Johnson and Johnson, the U.S. group.

NMR - nuclear magnetic resonance — is an intricate electronic system for causing atoms of living tissue to ring like bells, with characteristic notes. These signals are arranged electronically into vivid images of living organs

and lissues. images differentiate clearly between: sick and healthy tissue and between Postgraduate Medical School, and Siemens, were working different kinds of tissue. They London, said yesterday that perfect similar instruments.

A 19m investment in making, can "immobilise" moving organs after initial scepticism about the new technique it had moved such as the heart and can flow much quicker in the past year

to compete in important areas than anyone had expected. Within another year it could The new medical tool promises to compete in important replace the EMI-Scanner in areas with other advanced methods of medical diagnosis. certain areas. Prof Steiner said. He stressed, however, that at such as the EMI-Scanner, an present NMR and X-ray scan-X-ray instrument, of which ning were complementary rather than competing techthere are nearly 100 in UK hosniques.

Clinical trials in Britain, the only nation using NMR to ex-Using NMR he has examined more than 1,000 people, half of them healthy and half patients. amine patients, suggest the system could be valuable particu-He has been able also to make larly in detecting brain and direct comparisons of images of blood-system diseases, and mulpatients taken by NMR and by X-rays, using the latest EMI-Picker believes that for the Scanner. first time the U.S. regulatory

Mr Sydney Carne. Picker's UK director of operations, said he was confident his company succeed in the U.S. medical market where EMI failed with its EMI-Scanner. Of the £9m investment nearly

The company also believes NMR will be valuable for fol-70 per cent was being spent in the UK. Mr Carne plans to deliver at the rate of one NMR lowing the progress of disease and its treatment, because medical researchers were unable unit a month from October. lle predicted sales of NMR to detect any side-effects from repeated use of the instrument imagers would be as high as 250 per year by 1984 but warned that several major Robert Steiner. electronics groups, including U.S. General Electric. Phillips and Siemens, were working to

director of the department of diagnostic radiology at the Royal

. CONTENTS .

authorities will accept British

safety data and allow the com-

pany to export its first produc-

tion model to the U.S. this

Politics today: Mr Nott's changing fortunes 18 Business efficiency: the electronic office: Property column: Piccadilly's changing face 12 Commercial law: clarity necessary in

Technology: cost cutting on computer peripherals ousts pay bargaining Editorial comment: Rail strike; Turkey's Employment agencies: why job turnover is so important 23

Survey: Italian engineering inset

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IBM and FBI in document liaison

By Louise Kehoe in San Francisco

IBM, the U.S. computer-maker, agreed to release specific docu-ments to the U.S. Federal Bureau of Investigation which later formed the basis of charges of attempting to steal computer secrets against comployees of Hitachi and Mitsubishi, two of Japan's leading computer companies.

"We were working together on a day-to-day basis," said the FBI officer in charge of the investigation in San Jose, California. "IBM gave us the material which we sold to the Japanese.

"I was dealing with very senior IBM managers on a national level and very senior IBM security men." the FBI agent said. He also confirmed that the FBI undercover agent who posed as a consultant was a former IBM employee and that the "confidential source" who played a major role in the undercover operation is an IBM security officer.

He added that an IBM representative was present at most of the filmed contacts with the employees of the two Japanese

IBM instigated the FBI involvement in the case by informing the agency that it had found out that a Hitachi em-ployee was trying to get hold of confidential IBM documents. The FBI then directed their

undercover agent, who was already in Silicon Valley dealing with other security issues, to contact the Hitachi engineer and pose as a business consultant working for a fictious company called Glenmar Asso-

IBM was instrumental also in bringing the undercover operation to a close when the sensiquested by the Japanese hecame too great.

In response to suggestions that the IBM property involved in the case could have been obtained legally by the Japanese the FBI agent said the IBM documents, computer parts and programmes were all of a highly confidential nature. Although the IBM computers

and the data-storage unit named in the case are available commercially already, the FBI says IBM has been working on new versions of the machine which have not been released yet. It was on these new versions that the Japanese sought in-

1BM competitors in the U.S., however, suggest IBM may have Continued on Back Page

Israel captures vital stretch of Beirut road

BY DAVID LENNON IN TEL AVIY AND PATRICK COCKBURN IN DAMASCUS

ISRAEL SAID last night it had captured a vital stretch of the Beirut-Damascus road in Lebanon after a third day of fierce battles with Syrian forces. An Israeli officer described the fighting as "full scale war."

Syrian forces just east of the Lebanese capital Beirut are believed to have been trapped by the Israeli armoured thrust. During the course of the fighting, Israel claims that Syria attempted to deploy Sam-6

anti-aircraft batteries in the Bekka Valley.. The missiles were said to have been attacked and destroyed by artillery fire. The fighting involved tank hattles, artillery exchanges, Israeli air strike, and, for the first time in two weeks, dog

fights between Syrian and Israeli aircraft. Israel said it had shot down two Syrian aircraft. The Syrians admitted two of its aircraft had

been hit. Lebanese state television reported late yesterday that Israeli tank columns had over-

run a Syrian strongpoint at Bhamdoun and were approach-ing the town of Aley. It said this Israeli thrust had cut off Syrian troop concentrations closer to Beirut. The Syrians have been fight-

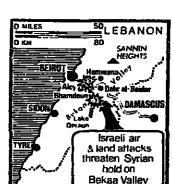
ing fiercely to maintain their positions near Aley because they fear an Israeli advance strategically important Bekaa Valley. The strength of the Syrian determination was illustrated

by the renewed commitment of the Syrian Air Force to the battle. Israel claims to have fighters in serial battles before the June 11 ceasefire. Israeli forces also bombarded Beirut where some 6,000

Palestinian guerrillas have heen under Isracli siege for 12 After two days of relative quiet in the city, Israeli artillery, gunboats and aircraft hombarded positions of the Palestine Liberation Organisa-

leaguered western half of the Lebarese capital. In Jerusalem, the Cabinet met for four hours to hear reports from Mr Menshem Begin, Prime Minister, on his visit to Wash-incton and from General Ariel Sharon. Defence Minister, on

ther course of the fighting. Politically informed people in Jerusalem said afterwards that Israel would never leave Beirut until the PLO is forced out of the city. Israel rejected a disengagement proposal put forward by the Lebanese



National Salvation Council. "The PLO is not in a position to dictate anything to anyone," the Israeli official said. "The only thing they can do is to lay down their arms and leave Beirut."

More than 1,000 Britons, and other foreign nationals boarded ships lying off Jounich. north of Beirut, yesterday, Offcials stressed that this might be the last opportunity for an organised evacuation. Several thousand Lebauese are also waiting at Jounieh for a ship to Cyprus,

President Mubarak of Egypt sent a message to President Reagan yesterday uring him to intervene, in the crisis and force Israel to lift its seige could threaten their troops in of Beirut. He said a decisive measure" was required by Mr Rean as a prelude to measure " full withdrawal from Lebanon

In Israel, newspapers reported that some ministers were suspicious of General Sharon's intentions and believed shot down over 80 Syrian that he deliberately sought to broaden skirmishes with the Syrian Army into full-scale

> Some ministers were also reported to be worried by the Defence Minister's attempts to justify a possible future land attack on the Palestinian refugee camps in southern Beirut by claiming that this would not constitute entry into the western half of the city something which the has barred so far.

> Mr Victor Shem-Tov of the left-wing Mapam Party, which is aligned with the opposition Labour Party, yesterday called on General Sharon to resign because the war, supposed to last no more than 24 hours, is now in its 19th day.

> The resignation call came when the Defence Minister appeared before the Knesset Foreign Affairs and Defence Committee.

Israeli soldiers, Page 3

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Trade sanctions widen gulf in transatlantic strategy

DID President Ronald Reagan make his latest move against the East-West gas pipeline proect in a fit of pique over European leaders who opened

their mouths too wide?
This indelicate question arose at a conference in West Berlin this week, organised by the private Aspen Institute and attended by economic experts from government, academic and business life on both sides of the Atlantic. The answer which emerged seems pecu-liarly worrying for Europeans and Americans alike.

On the face of it, the Euro-

peans had cause to be baffled and angry by the new U.S. de-cision, which blocks manufacture in Europe under licence of U.S.-designed equipment for Reagan's move came only a few days after the Western Economic Summit conference in Versailles and the Nato summit in understandseemed to have been

The Berlin

showed, however, that the Americans had gone to Ver-sailles prepared to conclude a kind of package deal involving four main elements: currency stability and omera intervention, the "global negotiations" associated with the stability and official market North-South dialogue, the specific issue of East-West trade, and the broader one of free trade and fair competition tboth including the question of export credit interest rate sub-

sidies). Despite the elegant formulae found by all sides at Versailles to indicate that the conference had been "a success," the U.S. clearly left dissatisfied.

It felt it had shown flexibility on the first two issues. It had agreed to look seriously

reached about how East-West currency markets (although it credit it extended to Moscow. reached about now East-vest trade issues should be handled in future.

The Berlin discussions

Teached about now East-vest continued to believe that such action would be counter-productive). And it had given the green light to the "global negotiations" through the United Nations (although it felt the unwieldy discussions would simply be a waste of

time and breath). On the other hand, Washing-ton felt that on the trade issues—where it greatly hoped for movement—its partners had given away virtually nothing.

Economic warfare This feeling of dissatisfaction

by the U.S. was evidently increased by public statements made by some European leaders in the wake of Versailles. Among them were the comof President François Mitterrand to a U.S. newspaper. that France would not support economic warfare against the Soviet Union and that it was at the question of more inter- not bound by the summit declavention to help stabilise the ration to cut the amount of

It was in this context that President Reagan moved toughen sanctions affecting the Soviet-European pipeline, which the U.S. has long opposed on grounds it could make its allies too dependent on Soviet energy and provide Moscow with muchneeded hard currency.

The upshot is that the Europeans may have stimulated quicker - and perhaps tougher action on sanctions from the U.S. than would otherwise have been the case. A strong element of pique does seem to have been involved in President Reagan's decision. But that is far from the whole story. The more disturbing point is the wide, and apparently growing, difference strategy between the U.S. and Europe - which is emphasisted, not created, by the public rhetoric.

It would be wrong to suggest that at the Berlin conference

Reagan's strategy, or that the Europeans were at one in their views. Nonetheless a potentially explosive mix of transatlantic discord did broadly emerge from the discussions on the following lines.

The Europeans see the U.S. failure to hold down its budget deficit as the key (though not the only) factor keeping real interest rates high throughout the Western world. This in turn depresses investment, holds back economic growth, increases unemployment and brings social-as well as political-strain. In this context, economic

sanctions against the East are seen as adding insult to injury, endangering still more jobs without any certainty that a desirable change in Soviet policy, notably in Poland, can be achieved in this way.

This point was dramatically underlined in Berlin. While the economic conference met in one

President part of the city, shareholders or that the of the giant AEG-Telefunken one in their were meeting in another part to discuss how to save the ali-ing concern, whose turbine-making subsidiary is particu-larly hit by the latest U.S. move against the pipeline. It would be most unfair to blame the U.S. for AEG's plight but the danger of a linkage in the public mind is clearly there.

Potential enemy

The U.S. see complaints about interest rates at least partly as a cover-up for failings in domestic European policy. They insist they do not want an economic war against the Soviet Union. But they ask what is the point of struggling to find the cash to finance defence in the West on the one hand, while subsidising, through cheap interest rates, exports to potential enemy countries on the other.

They were constantly told by the Europeans (notably West for the gas pipeline deal was an energy-political one. Bu Washington gained the impres-sion that behind that argument lay the strong desire to push ahead with the project, above all to prove that detente was an economic success. The clear forum to face the

challenge of these inter-related problems is an economic summit—but most participants in Berkin agreed that the Ver-sailles gethering had been a flop (though for different reasons). The Europeans were anxious to give the U.S. a foreign-policy alibi in Versailles for changing its domestic economic strategy, but Mr Reagan seemed not to be interested. The Americans thought they were being flex-

ible but gained nothing in return. Now both sides seem bent on public recrimination, thereby intensifying the difficulties still further.

PROBLEMS OVER SPAIN AND PORTUGAL ENTRY 'SURMOUNTABLE'

Brussels says larger EEC is goal

BY JOHN WYLES IN BRUSSELS

THE European Commission was reluctant to acknowledge yesterof political will in the EEC in favour of bringing Spain and Portugal into membership. This is despite the public airing in Madrid of President Francois Mitterrand's deep anxieties on the subject.

A spokesman said yesterday that the political will still existed in all member states. The negotiations with Spain and Portugal had run into difficulties, but these were "sur-

However. M Mitterrand's warning that Spanish entry would mean an unfortunate state of anarchy" for the Community has caused surprise and some perplexity in the Commission. Officials hope that at next week's Community summit in Brussels the French President will explain whether he wants enlargement negotiations to continue or not.

The indications are that there is less surprise in Madrid. The Government there does not believe apparently that it is at the receiving end of a French veto but rather that M Mitterrand intends to impose a pause in its negotiations with the EEC. The effect of his speech on Tuesday night has been to dash all hopes in Madrid of complet-

ing the membership negotiations

by the end of this year in time

for formal accession to the EEC

Norway to

driling rig

By Maurice Samuelson in

of Norwegian drilling com-panies with which Norsk

Hydro has been discussing its

The Norwegian Government

has been extending the off-shore drilling season, and

year-round drilling is likely

tions and equipment, at pre-

Haughey wins

By Our Dublin Correspondent

THE IRISH Government of

FINANCIAL TIMES, published deligencept Sundays and holidays. U.S. subscription rates \$365.00 per annum. Second Class postage paid at New York, N.Y., and at additional meiling

Mr Charles Haughey narrowly escaped defeat yesterday on a

close vote

in 1985 or 1986. Rigs in use will also be per-

out the year.

use new

in January 1984.

Commission sees recession's end

BRUSSELS - EEC economies should emerge decisively from recession next year and register growth of about 2.6 per cent against 1.5 per cent this year, according to a European Commission report. The confidential report, made available to Renters. will be discussed by Com-

munity leaders at a summit meeting in Brussels next Monday and Tuesday. Inflation in the EEC will drop into single figures in 1983 for the first time in three years, the report says. The predicted growth figure for this year of 1.5 per cent compares with earlier estimates of 2 per cent growth. Com-

munity output fell by 0.5 per cent last year. It says, however, that re-

Although the President was referring specifically to Spanish membership, it is thought that his aim is to question the wisdom of bringing both Spain and Portugal into the Community at a time when so many of the EEC's basic problems are upresolved.

the two countries cannot be increased to finance a Comaccommodated within the EEC's munity of 12, then it has to be and Steel Community.

high interest rates, particu-cularly in the U.S. "These will exert a determining influence on the very existence of a recovery in the EEC in 1982-83 because of their enor-

covery could be threatened by

mous impact on investment," The Commission report pre-dicts U.S. interest rates will ease in the coming months. This, combined with the likelillood of reasonable stability in oil prices, could give decisive impetus to the long-

delayed recovery, it says. "Growth in 1983 will be fuelled above all by an acceleration of investment and a fairly strong recovery in private consumption." Reuter

present budgetary framework and the intention of M Mitterrand's semewhat brutal initiative may be to force the Ten to face up to this fact.

The EC looks likely to be

spending all the money available to it under current rules within the next three years. If In particular, it is clear that the resources need to be decided who is going to pay

West Germany is strongly committed to enlargement, but equally strongly opposed to raising its financial obligations to the EEC-already the largest in the Community. All other memher states, except Britain, draw more money from the budget than they pay in, and they have to face up to the fact that enlargement may put an end to this satisfactory situation,

Negotiations with Spain and Portugal are due to continue at official level next month, after ministerial talks this week. The Community's meeting with Spain on Monday threw up some considerable difficulties but, by contrast, the negotiations with Portugal made unexpectedly good progress.

Diana Smith adds from Lisbon: Since Portugal has been Assured repeatedly by the Commonity that it would not be penalised because of any negoiating problems the EEC might have with Spain. As a result. there was no dramatic reaction in Lisbon vesterday to M Mitterrand's speech in Madrid.

Portuguese negotiators made considerable progress at this week's meetings in Luxembourg with the Council of Ministers on the questions of customs union excluding the thorny textiles issue), taxation, foreign relations and the European Coal

Netherlands postpones gasification plant plan By Walter Ellis in Amsterdam

GASUNIE, the Dutch

natural gas corporation, is to postpone construction of a Fl 3.4bn (£718m) coal-gasification plant at Eemshaven, near Groningen, for at least a

Mr Jan Terlouw, Minister for Economic Affairs, said in a letter to parliament in The Hague yesterday that the economic risk was too great in present circumstances and the he had agreed, reluctantly, to Gasunie's request for a deferral.

Three weeks ago Shell announced that it was abandoning plans for a similar, smaller plant outside Rotterdam. Now only Esso is going ahead with construction,

Gasunie has forecast that coal prices in the Netherlands will rise by 20 per cent this year. Such a development, it would make coalgasification uneconomic,

At present prices, Gasunie estimates that the Eemshaven project could make annual profits of up to 11 per cent of onerating costs. But over the 15-year life of the plant, this would leave an overall loss of Fl 250m-taking into account the total investment cost if coal prices rose, the loss would be FI 750m.

Mr Terlouw said that the financial risk was high, the energy market uncertain an the cost of coal—raw material—likely to increase. He recognised that the project would have created 1.000 new jobs in the deprived north of the country but felt that it would he best to re-examine options in a year's time, when price trends become clearer.

Two years ago, coal-gasification was seen as an energy growth area as the Netherlands looked ahead to the end of natural gas production.
Today the picture is changed.
Gasunie—jointly owned by
the government, Shell, Esso Dutch state mines—is continuing to concentrate on flagging gas sales and does not feel it has the resources for an installation of nucertain viability.

When Shell cancelled its wholly-owned venture in coalgasification Esso responded by saying that its FI 525m plant, sited in Rotterdam's Europoort, would be less profit-orientated and more of a technological experiment. Gasunie and Shell will no doubt monitor the experiment with interest.

Portuguese short of hydro-power By Diana Smith in Lisbon

DESPITE WINTER and spring rainfall, Portugal is suffering from a very serious drop in its hydroelectric reserves, and the Govern-ment may soon be obliged to

take special measures. Along the Douro River, which supplies a quarter of the country's electricity in normal times, reserves are down to 30 per cent of their potential and, nationwide, dams stand at 55 per cest of

ment is merely asking consumers to restrain electricity consumption volun-

in April when it increased by only 0.1 per cent. The Government took stiff credit measures earlier this year which have reduced credit growth to 21 per cent compared with more than 30 per

General strike will bring Italy to standstill today

BY RUPERT CORNWELL IN ROME

one-day general strike today amid signs of growing difficulties for the government over the package of public spending and taxation increases urgently needed to tackle the public sector deficit. The strike, which will affect

ndustry badly, has been called in protest at the decision by Confindustria, the private indus-trialists' association, to break existing seven-year-old scala mobile agreement on wage indexation, and its refusal to begin talks on new three-year wage contracts for key sectors of the economy.

Recently, Confindustria's move has been followed by other employers' associations - paving the way for difficult negotiations to find an alternative means of indexation, which reduces the growth of labour costs.

The extent to which the strike call—which will also affect transport services, though to a lesser degree—is followed will be watched particularly closely

The new strains in relations between the two sides of industry is also complicating the government's search for a consensus on measures, already

TALY will be crippled by a overdue, to bring the public sector borrowing requirement ths year back within the previous ceiling of L50,000bn (£20bn). If nothing is done, Sig Benamino Andreatta, the Treasury Minister, declared this week, the deficit could reach 69.000bn.

While the Christian Democrats have emphasised the need for severe and painful cuts, the Socialists remain anxious not to alienate support in the union movement and are still reluctant to endorse such measures. Sig Giovanni Spadolini, the Prime Minister, in effect admitted in parliament this week that he was powerless to act without prior agreement between the five parties in the

present government. Whether this can be achieved will become clear only at the frequently postponed round table talks between the coalition partners, which will determine the fate of Sig Spadolini's yearold administration. But fears are again widespread that differences between the two main government parties could prove insuperable—in which case a fresh government crisis, possibly leading to early general

elections, may be inevitable.

East Berlin angry at U.S. embargo on electronics

BY LESLIE COLITT IN EAST BERLIN.

EAST GERMANY has accused the U.S. of trying to "obstruct" the development of its microelectronics industry by embargoing exports of electronic equipment to Fast Germany.

Herr Paul Verner, a memher of the ruling polithuro, said the U.S. was engaged in a "tough class struggle" with the Communist countries in the field of micro-electronic components. The only possible answer for East Germany, he said, was to develop its own production and to increase co-operation with the Soviet Union.

Subsidiaries of U.S. electronics companies in West Germany and Austria said the Commerce Department in Washington has refused frequently, to grant export licences for electronics industry production equipment

industry production equipment ordered by East Germany. No this year, he said, the politour accurate figures are released on introduced measures to "safe-guard" food supplies for the population. The East Germans reported that supplies in as the products are first shipped have reported that supplies in to subsidiaries of the U.S. commany parts of the country have panies in Western Europe and steadily worsened.

then on to the East bloc. Herr Verner also told a central committee meeting that this year's grain harvest would be controlled directly by the polibure to prevent losses.

Fodder production is a neu-ralgic sector of East German agriculture and, last year, the country had to import \$283m in fodder from the U.S., according to U.S. statistics. East German figures, however, indicate that considerably more U.S. grain was transhiped to East Germany via Hamburg. The East German leadership has set the ambitious goal to eliminate all fodder imports by 1985.

Herr Verner, who is responsible for security, said East German industrial output was on target for the first five months of the year. It is planned to increase production by 4.6 per cent this year. Earlier

Spectre of scandal raised by W. Berlin rescue bid

BY OUR BERLIN CORRESPONDENT

WEST BERLIN'S one-year-old the Saudi money does not Christian Democrat Government materialise, West-Berlin will is preparing a financial rescue have to come up with the funds operation which bears an uncomfortable resemblance to a The scandal which rocked operation which bears an un-comfortable resemblance to a scandal which helped cause the downfall of the previous Social Democrat-led city government. At issue—then and now—are to a Berlin architect who also city guaranteed loans to Berlin ran out of funds while engaged A West Berlin firm of

engineering consultants which is 50 per cent city-owned is in financial trouble over military construction projects in Saudi Arabia worth some DM 180m (£42.8m). The Saudis are refusing to pay an additional DM 75m for improvements. Earlier this year the company.

Berlin Consult, received a DM 15m city guaranteed loan after reportedly raising city-backed loans of some DM 40m Berlin's previous Social Demo-

crat Government involved city-backed loans of some DM 128m on a construction project in Saudi Arabia. Berlin Consult was regarded

as highly successful in Eastern-Europe where it was the general contractor for projects ranging from meat packing plants in Poland and East Germany to a recept sale of a speciacle frames factory to the Soviet Union. But now the company needs a DM 65m city guaranteed loan to finance the

Moscow deal.

A DM 39m contract which Berlin Consult signed last year to finance projects.

City officials said that the company had a serious cashflow problem and that the Berlin company had a serious cashflow problem and that the Berlin involved the rights to sell yeast official, vice-president Jerzy for authorise DM 41m in aid. If over a 10-year period, year Mr Minkiewicz's replacement follows the resignation of another senior Bank Handlowy official, vice-president Jerzy Szczepkowski, a few weeks ago.

Solidarity call to avoid clashes

By Christopher Bobinski in Warsaw

SUPPORTERS OF Poland's Solidarity union movement have been advised by their leaders on the run from the authorities that they should avoid clashes with the police when anniverse-ries marking protests by Polish workers occur in the next few

days.

Today is the sixth anniversary of protests in Radom and at Ursus tractor factory outside Warsaw against food price rises. And 26 years ago next Monday. workers in the western city of Poznan demonstrated in the strects for better conditions.

These events will be commemorated by church services in those cities. Similar occasions in recent weeks have empted into clashes with security forces. Solidarity activists are now saying that their supporters should limit themselves in attending the Masses and maybe laying flowers at the appropriate monuments.

The anniversaries fall as the Polish Roman Catholic Church and the regime are engaged in a set of delicate talks on whether, and for how long, the Pope should come to Pokand in

Any repeat of civil disorder would prejudice the chances of a visit. The union's activists have this in mind, as well as the fact that many are intenon conserving the movement's energy for a general strike in the autumn.

General Czesław Kiszak, the Interior Minister, has mear-while told a delegation of women that there "was ro rational basis for suggestion: that it was the authorities which had been provoking the received ashes." He called the demonstrates strations in May and June trial of strength with the opn sition" and one of "many which are yet to come.'

The debate is continuing inside Solidarity on whether to call a general strike.

Mr Zbigriew Romaszewski, an influential leader of the union in Warsaw, argues in favour of the strike in an interview published in the clandestine weekly Mazowsze. It should be accompanied by street demonstrations. he says, and workers should defend their factories if attacked by security forces.

Mr Romaszewski evidentiv believes that the Polish authorities freedom of manoeuvre is limited and that they will only come to terms with the union if urged to do so by the Soviet Union. As a result, he is pressing for

a strike before the expected autumn summit between M: Ronald Reagan and Mr Leonid Brezhnev, the U.S. and Soviet leaders, thus putting "the Polis! question at the centre of world public opinion.

Ruolication of the interview marks an attempt by radicals in Solidarity's underground leadership to persuade the Soviet Union that they are netermined to fight for the unior s rights, although Mr Romaszewsa hints that it would accept a moderate programme once the union was restored.

Offier voices, however, are buing raised against a genera strike. Another Warsaw cladestine publication recent! wrote that "any confrontatic will be brutally crushed by the authorities" and that plans for a strike only favour those in the establishment "who want to use force."

The main criticism is that the movement has failed to outlina coherent programme, "Before we call a general strike we mus have a clear idea of the aim which it is to achieve," the

Head of Polish bank replaced

WARSAW - Polish authorities have replaced Mr Mariau Minkiewicz as head of the Bank Handlowy, the foreign trade bank, officials said yesterday. Mr Minkiewicz has been a key figure in negotiations to re-

schedule Poland's massive debts to the West The removal of Mr Minkinwicz was announced a week be-fore talks in Vienna with representatives of Western creditor Banks on postponement of this year's debts, which Polish officials say it has no hope of paying in full.

The replacement also comes as senior bankers are considering the effects of a new banking law, coming into force next Thursday, which gives banks increased independence from government control.

Mr Minkiewicz who, according to an official announcement, was recalled from his

ment, was recalled from his post at his own request was replaced by Stanislaw Kobak

replaced by Stanislaw Kobak, until now chairman of the state insurance company Warta.

The meeting in Vienna between Polish and Western bankers on July 1 is expected to be an initial exploration of ways to reschedule the nonguaranteed portion of some \$10bn (£5.5bn) in hard currency debts falling due this rency debts falling due this

Crooks and Gaullist cash back political group, claims report BY DAVID WHITE IN PARIS

A " HIERARCHICAL, cloistered THE FIRST of a new generaand occult " private militia, ranging from former Resistance tion of drilling rigs for eil and gas exploration hundreds fighters to small-time crooks, inof miles north to the Arctic volved in hold-ups and heroin smuggling and financed by gifts year for use by Norsk Hydro, from Gaullist political parties: in which the Norwegian such is the portrait of the Civic Government has a 52 per cent stake.

The rig, which could cost around \$120m (£66.6m), will be ordered by one of a group

5,000 and 10,000. Of these, 5,000 are considered "very active" and between half and technical features.

These features would include advanced descing equipment to enable it to drill throughthree-quarters are recknned to Opposition party, the RPR. It names M Jacques Foccart.

mitted to operate throughout the year if their de-icing equipment is adequate. However, the new rig. code-named Rig 85 in Norsk Hydro's development plan. will also differ from conven-tional ones in having its working area fully enclosed. Handling the heavy drilling secsummer at Auriol near Mar-seilles, in which one of the victims, a policeman, and the allezed killers were all linked sent one of the most demand-ing physical jobs on a rig's drilling floor, will be fully

Action Service (SAC), an officially registered organisation, drawn up in a report released yesterday by a parliamentary commission of enquiry. The report estimates member-ship of the SAC at between be members of the neo-Gaullist

former chief adviser on African affairs to both Gen de Gaulle and President Pompidou, as the "spiritual father" of the organisation and says that France's counter-intelligence service, the SDECE, may have acted as a channel for its funds. The 345-page report is the result of six months' work by the commission, formed after a gruesome multiple murder last

SAC since it was formed in 1959 as a kind of Praetorian guard for General de Gaulle.

Mitterrand's election in May last year. It was up to the Government, it said, whether to dis- Bongo of Gabon. solve the organisation.

Headed by a Socialist, the opposition members, four of them from the RPR, pulled out on the grounds that its investigation clashed with that of the examining magistrate.

After sounding almost 100 witnesses, including M Gaston Defferre, the Interior Minister. the commission drew up a list of 78 "affairs" ranging from electoral incidents to arms offences involving the SAC. It said half of these had led to convictions.

but that these were only the tip of the iceberg. It alleges that SAC members "and not just the small fry" had linked to financial scar-

The 14 people charged after numerous in the organisation, the killing included M Pierre have been joined by "young Debizet, known as "Beetle fascists." opportunists and Brows," chief organiser of the criminals, according to the report.
It claims that between 10 per

cent and 15 per cent are police-The commission said the SAC men, and that the organisation had been acting "in claudes- has used the police for private timity" since President Francois purposes, citing as an example purposes, citing as an example for the wife of President Omar

It alleges that the SAC is behind the CSL, the right-wing commission was originally made trade union which has recently up of 21 MPs, but the seven been involved in violent clashes with striking car workers, and that it has provided companies with strong-arm squads. In Corsica, it says, it has

surfaced in the form of an antiautonomist body, Francia. Cash payments into accounts include donations from industrialists, but most funds doubtless come from the Gaullist movement, the report says. It describes the SAC's relationship with the RPR as one of "affection and collabora-tion" but says that in last year's parliamentary elections it also worked for candidates from other right-wing parties.

dals counterfeiting, various dale, counterfeiting, various Since the elections, it says, kinds of illegal traffic, robberies the SAC has probably "taken and hold-uos. steps to act by other means' The "old Gaullists." no longer in case of a ban Fresh bid to end Talbot dispute

BY TERRY DODSWORTH IN PARIS

increasingly bitter three-weekold strike at the Talbot car company's Poissy plant, near Paris, is to be made by a Gov-ernment-appointed mediator. wital financial vote. It won a vote on the Finance Bill, which gives effect to the provisions of the budget, on the Labour Ministry yesterday, was casting vote of the Speaker,
Dr John O'Connell, an Independent MP.

The vote which brought the deadlock was on the section of deadlock was on the section o

the Bill relating to income tax allowance and tax exemptions for the lower paid.

NANCIAL TIMES, published duly reper Sundays and holidays. U.S. Claimed to be engine Talbat. about 1,400 units of its Horizon duced pay and prices freeze, ing that the full amount should and Samba models a day in lost which blocks salary increases be paid immediately, as at production. As at Citroen, the claimed to be costing Talbut

A FRESH attempt to settle the largely immigrant workforce is all but the lowest paid workers. demanding a substantial rise in Announcing M Dupeyroux's pay and improvements in work-

were largely met at Citroen, which, like Talbot, is part of the Peugeot group, has fuelled the determination of the Talbot over union rights, for example, M Dupeyroux's recommenda-tions for the holding of new elections at Citroen have just led to a sweeping victory by the Communist-led CGT union over plicated by the newly-intro-

appointment yesterday, M Jean ing conditions, including Auroux, the Labour Minister, increased union rights.

The fact that these demands out a settlement formula "as quickly as possible would have to take into account the Cabinet's decisions on prices and pay this week.

So far in the dispute, the unions at Talbot, led by the CGT, have proved intransigent on the pay issue. The most recent proposals for ending the dispute largely foundered because the unions refused to the company-backed CSL union. accept a staged progress.

The mediator's job, however, towards an extra salary paypromises to be enormously comment of FFr 400 (£33.60) a month. The unions are demand-

capacity. This compares with 72 per cent at this time last year, when heavy spring rains halted the worst drought in 130 years. ... At this stage, the Govern-

tarily. O Portugal's inflation rate, forecast at atold 19-20 per cent for 1982, eased slightly

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Solidario call to avoid clashes

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The same of the same of the

Congress-backed housing aid Bill vetoed by Reagan

BY ANATOLE KALETSKY IN WASHINGTON

PRESIDENT REAGAN yesterday veloed the \$3bn (£1.7bn) emergency housing industry aid Bill passed on Wednesday by Congress.

intention to block all attempts by Congress to bail out industries hard hit by the recession. It also indicates the President will take a hard line against Bills which break the spending limits set in the 1983 budget, which was passed this week after nearly five months of political deadlock.

There are widespread fears that the \$103.9bn deficit limit projected in the budget will be breached by numerous special Bills in an attempt to offset the effects of the recession on specific industries or regions.

In addition to housing, the farming and motor industries have been singled out for special support measures by Congressmen running for reelection in November

The Democratic Party has also proposed various emergency employment programmes not provided for in either the 1982 or the 1983 budget. Even without such special spending Bills, the independent

Congressional Budget Office has estimated the final budget will produce a deficit of \$116.4bn. rather than the estimated \$103.9bn. The difference results The move clearly signals his from the budget offices more pessimistic assumptions and from different accounting estimates of the fiscal impact of proposed tax and spending

> In the past the budget office has provided more reliable estimates of deficits than either the White House or the partisun congressional committees.

President Reagan's veto of the Housing Bill, which was designed to subsidise mortgages on new houses for poorer and middle income families, could in theory be over-ridden by a two-thirds vote of both chambers of Congress, However, congressional leaders suggested soon after the veto was announced that such action was unlikely.

A two-thirds majority against the President would be very hard to muster in the Republican-dominated Senate, even though the chief sponsors of the Housing Aid Bill were two Senators. Republican Richard Lugar and Mr Jake

Paul Betts reviews the growing bi-partisan appeal for a resolution to U.S. budget problems

Wall St pressure group looks to the long term

now heads the venerable Wall Street investment company of ehman Brothers Kuhn Loeb. have joined forces to launch a bi-partisan appeal to President Ronald Reagan and the U.S. Congress to help resolve the severe fiscal problems currently causing turbulence in the

markets and threatening to bring the country's industries to their knees. They have already been down lo Washington to appear before the Senate Finance Committee. It took them about 48 hours to enlist the support of a Who's Who of Wall Street-from the heads of Salomon Brothers to

Morgan Stanley to such promibusiness and former government figures as Mr Cyrus Vance (former Secretary State), Mr Henry Kaufman, of Salomon Brothers, Mr Thornton Bradshaw (chairman of RCA), and Mr Harold Brown former Defence Secretary),

among others. The former Treasury Secretaries include Mr Michael Blumenthal, now head of Burroughs Corporation, Mr John Connally, Mr C. Douglas Dillon, Mr Henry Fowler and Mr William Simon. As for Mr Peterson, who hardly has any time to see you except in his Wall Street may not be the car between one meeting with greatest of U.S. folk heroes, the

a national coalition of in-formed Americans to pressure Congress and the political system as a whole to tackle what he calls the country's "budget crisis" before huge federal budgets, already crippling the U.S. economy, lead to years of financial chaos and industrial stagnation.

Although Capitol Hill has finally compromised on a 1983 budget, the apparent good news to the frustration of the Admin-istration, has had virtually no impact on Wall Street. Indeed, if anything, the markets are in as big as shambles as they ever were — and it is hardly surprising according to Peterson and his group.

The problem, he says, and everybody agrees, is long-term interest rates. As he told the Senate's Finance Committee: There is no way we are going to get the investment in the economy that we desperately need at 15 and 16 per cent longterm interest rates." Echoing a familiar litany on Wall Street. he added: "There is no way you are going to get long-term interest rates down until the term budget that they believe with deficits coming down."

He also suggests that while

A MOST unusual, indeed unprecedented, political lobby is another with Cities Service, he
emerging on Wall Street in has been spreading his message
these days of turmoil in the
by writing articles for the
credit markets. Five former
colour supplement of the
U.S. Treasury Secretaries and
a former Secretary of Commerce, Mr Peter Peterson, who
merce, Mr Peter Peterson, who
now heads the venerable Wall

a national coalition of in
Mr Peterson and his groun

Mr Peterson and his group scoff at the renewed anti-Federal Reserve campaign of budget deficit problem.
the past few days. The Treasury "The market believes that
and the Administration, have high deficits have a long-term

a fiscal one would simply give Wall Street the wrong message." Mr Peterson and his group bi-partisan plans for the U.S. budget. Significantly, they have concentrated on the 1985 federal budget because the object is to put together a conservative and credible approach to the whole

6 The market believes that high deficits have a long-term effect on inflation and therefore affect interest rates. And as long as they believe it, whatever the theories of the economists are, you had better do something about deficits—that is much more important than anything else because it affects interest rates directly ?

again been blaming the Fed's effect on inflation and therefore conduct of monetary policy for affect interest rates. And as long the current high level of U.S. as they believe it, whatever the interest rates. Some congressmen have suggested legislation to curb the independence of the Fed and the Treasury is reviewing the role and structure of the Central Bank. rates directly

Fiscal and monetary policy are in conflict at present." says Mr Peterson. "But if you got the Fed to ease now it would send the wrong signal to the market." The real issue, he says. is that "First you've got to get your fiscal policy or fiscal house in order, then your monetary policy. But to talk about Peterson claims they are far

theories of the economists are, you had better do something about deficits-and that is much more important than anything else because it affects interest

So although the markets are worried by today's deficit (bonds have been trembling simply at the thought of the record \$96bn Treasury financing needs for the second half of this year. which has nothing to do with what is currently being dismonetary policy before you have more worried with what is likely

to be ahead.

The idea for bi-partisanship was to emphasise that nobody had any particular axe to grind, indeed, some of the former of past Administrations which had a hand in creating the current fiscal mess. The proposals put forward by bi-partisan group include cutting the fiscal 1983 budget to below \$100bn and squeezing down the deficit further in each following year. "To achieve even minimal credibility in the financial markets," the group says, "projected deficits must be cut by about 875bn to \$100bn in fiscal 1983, by about \$125bn to \$150bn

To achieve these goals, the bi-partisan group is urging that defence spending should be moderated so as to save about \$25bn in fiscal 1985. This would still provide for a major and sustained defence bulid-up. Taxes should bring in additional revenues of about \$60bn by fiscal 1985. This can be done, they claim, either through indirect tax increases or by deferrals of pro-

in fiscal 1984, and by about \$175bn to \$200bn by fiscal 1985."

posed new tax increases. The third, and most controversial, proposal involves the whole area of entitlements and other non-defence programmes whose growth should be slowed down to reduce the deficit by cussed on Capitol Hill). Mr about \$60bn in 1985. The proposals also omit such popular measures considered in the 1983

Congressional budget as miscellaneous cuts and the assumption of a 6.9 per cent prevailing prime rate in 1985. "If it were at that level, then Hallelujah." says Mr Peterson. The group wants above all to

hit at the so-called "non-need related entitlement pro-grammes." especially social security. Mr Peterson says that if there is one signal Wall Street would like to pick up right now, it is action on government entitlement pro-grammes. "Social security is now 28 per cent of the budget, and I think what Wall Street is waiting for is a credible signal that these very important ballooning programmes that have been called politically untouchable, that have been called uncontrollable, are going to be touched and con-

Mr Peterson argues that most of the cutting so far has been done in the need-related programes-those which are distributed on the basis of some test of real need or current income. Indeed, the calculates that these need-related programmes have been cut by about three times as much as the ones that are not need related.

Like all major economic crises, the current U.S. fiscal crisis has turned into essentially this time, has decided to take to the road-first mobilising its own ranks and then spreading

Private college to raise cash on bond market

BY PAUL BETTS IN NEW YORK

DARTMOUTH COLLEGE in the of Reaganomics.

New Hampshire, one of the of Reaganomics.

Place of the Dartmouth, which was named to the control of the control o This is believed to be the the Wall Street investment time an American

students. colleges are expected to follow Dartmouth's example in an

university has turned to the

government financial support The Reagan Administration's programme has become one of the current academic year

DARTMOUTH COLLEGE in the most controversial issues

the U.S. and a member of the after the Second Earl of Dartexclusive "Ivy League," is to mouth, will issue a package of raise money for student loans some \$98.5m (£56.6m) of bonds on the New York bond market. with the help of Goldman Sachs,

Of this total, some \$75m will money markets to support its be sold at deep discounts from their face value. This means Other universities and private the college will raise about \$28m from the offering, which is tax free, of which \$12m will effort to offset sharp cuts in be used for student loans and \$16m for other purposes.

The college warns that the decision to reduce federally \$12m it plans to raise for backed loans to university student loans will not go very students as part of the govern- far. Its 4,000 undergraduate ment's broad budget cutting students have borrowed \$7m in

Supreme Court gives immunity to ex-presidents

By Our U.S. Editor in Washington

THE U.S. Supreme Court yeslerday laid to rest a ghost from Mr Richard Nizon's past which had hauted the former president for the past eight years. The court ruled, by a narrow five to four majority. that former presidents are entitled to absolute immunity from suits for damages over actions they have taken

Mr Nixon was sued in 1974 for \$3.5m (£1.9m) by Mr Ernest Fitzgerald, who was dismissed from his Government post in 1970 for telling Congress of major cost over-runs in the construction of the C-5A transport aircraft.

Satellite TV given go-ahead

BY PAUL BETTS IN NEW YORK

THE BATTLE between cable earlier FCC ruling, owners of from the FCC, nine major comtelevision and the television dish dishes do not require a licence panies industry is expected to intensify and operators do not have to the U.S. Federal Communications Commission decision to give the go-ahead for the development of direct satellite - to - home television

Direct satellite broadcast in which satellites beam signals to a small receiver, called a dish, on the roof of a viewer's home. is the fledgling of the communisations industry.

Cable operators, who have past two years in one of the most promising growth businesses in the U.S., have complained about dish services because: under an

franchises from local governments to supply the ser-

Leading cable television programmers have also accused several dish operators of picking up signals of their pay programmes and broadcasting them without paying the necessary charge,

piracy has become prevalent in large condominiums or apartinvested huge amounts in the ment blocks where a dish is installed on the roof-top and feeds television sets throughout

This form of programme

Wednesday's ruling between \$100 and \$200. With

applied to offer direct satellite to-home television are now likely to be granted approval. Their services are expected to begin in 1985 or early 1986. At present the dish business

has been restricted in its development because only very large and expensive receiving dishes have been available. As a result they have been confined to

large apartment blocks Formal approval of the new business will mean smaller, less expensive dishes will become available, making it economical for a single homeowner to acquire a dish, expected to cost

Stores group in worker participation contract

With speed and efficiency we will auction

Usually, items will be sold locally, though

On the majority of items, however, we now

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some may be transferred to London or another of

our salerooms, if we thought this would achieve a

offer the most competitive commission rates of

all the major international fine art auctioneers-

BY RICHARD LAMBERT IN NEW YORK

THE RECENT trend to wage concessions and increased worker participation in U.S. industry has been taken a step further by an innovative labour contract in the retail industry.

Under the new deal, workers will make significant concessions on wages and work rules in return for a share in the revenues and management of their stores. A and P. the struggling super-

market chain controlled by the Tangelmann group of West Germany, has closed 51 stores in south east Pennsylvania since last December.

everything, not just the obvious gems.

often a good deal less than local firms.

better price.

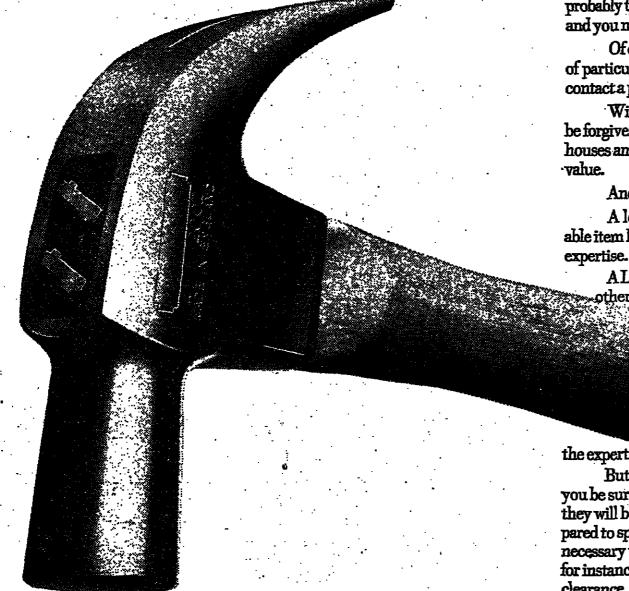
for insurance

the workers - members of the Workers Union — the chance to buy four others. The 20 company-owned stores

20 of these stores and to give

will be set up under a separate division of A and P. and the first ones will be re-opened next month. Employees will take a pay cut which will reduce the average wage from around \$10 (£5.50p) to \$8 an hour

The union is committed to reducing labour costs at the stores from the equivalent of around 14.5 per cent of sales to It has now agreed to re-open 10 per cent or less



From time to time you may become involved experienced staff who, if necessary, are able to call with the disposal of items by auction, either as a on a further 50 specialists based at our London private individual or as a professional adviser.

Understandably, your first thoughts will probably turn to a small local firm. They are nearby, and you may even know them socially.

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the expertise. But can you be sure that they will be prepared to spend the necessary time involved in, for instance, a general house clearance.

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Gunmen

Mugabe's

By our Harare Correspondent

UNKNOWN GUNMEN unsuc

cessfully attacked the homes of

Mr Robert Mugabe, Zimbabwe

Prime Minister, and his senior

Cabinet colleagues, M Enos

Nkala, in the early hours of

attackers fled after an exchange

Nkala's bodyguards, leaving

one dead black gunman and two unfired RPG-7 rocket

Police said the attack had

been launched from a moving

A spokesman for the Prime

Minister blamed "bandits" for

the attack but gave no details

of their possible identity. More than 25 people have been killed

by bandits in Zimbabwe in the

western province of Matabele-

land and in recent weeks, but

this is the first time that there has been any hint of bandit

activity in the capital itself.

Mr Joshua Nkomo's Zipra army

in Matabeleland. But Mr Nkomo

has strongly denied these accu-

The Mugabe Government has blamed former guerrillas from

car at around 4 am.

morning.

small arms fire with Mr

attack

home

yesterday

launchers.

sations.

gested inquiry.

Haig plans to repair links with Latin America

SY REGINALD DALE, U.S. EDITOR IN WASHINGTON

in the Falklands is over.

But the fluidity of political developments in Buenos Aires means Washington is likely to take its time before drawing hard and fast conclusions.

Mr Alexander Haig, Secretary of State, said this week that the ultimate U.S. objective remained "good, strong, cooperative and cordial relations," with Buenos Aires. A number of uncertainties however, remained to be resolved in the wake of the Falklands crisis.

The "uncertainties" listed by Mr Haig covered: the official cessation of the state of conflict between Britain and Argentina; the emergence of a "constitu-tional authority" in Buenos Aires capable of making viable assurances; the return of all prisoners; and the clean-up of the islands themselves.

These issues must be resolved, in the U.S. view, before an ottline of the longer term status of the islands can become clearer.

Washington is taking into misjudgment." account in its current review of the economic and military sanctions it imposed against the months ahead for a routine Argentina at the end of April. review of the Argentinian econ-The review did not necessarily mean Washington was

THE U.S. is reviewing its future tion is going out of its way policy towards Argentina as not toput public pressure on part of its overall effort to Mrs Margaret Thatcher, the repair relations with Latin British Prime Minister, either America now that the fighting on the sovereignty issue or in favour of any particular ulti-

mate solution. Both sides said sovereignty was not even discussed during Mrs Thatcher's Washington talks with President Ronald Reagan on Wednesday.

As Mr Haig put it: "We would not expect anyone to tell us how to deal with our property and we are not going to presume to tell her (Mrs Thatcher)."

American "practical help" for Britain will continue, notably through the supply of mine-clearing equipment. But no U.S. personnel will be sent to the islands, and Mr Haig believes it is "premature" to consider the inclusion of U.S. troops in any peace-keeping force that might be set up.

On restoring relations with Latin America, both Britain and the U.S. agree the damage done by the Falklands affair has not been uniform in every country. In some, according to Mr Hair. it has only been "slight." believes that anyone who treats the hemisphere as a single whole They are also the factors that is making a "serious geopolitical

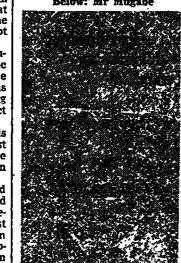
> AN IMF team will be going to Buenos Aires some time in omy, officials said in Washing-They discounted reports

Kezi area to undertake opera-tions against the bandits, or contemplating a very early from Argentina that the team came in sanctions, Mr Haig would be involved in the country's efforts to refinance its Meanwhile, the Administradissidents, as ministers are calling the gunmen.
The national news agency Ziana reported that the gunmen had been dressed in national

in_a military lorry stolen Residents living near the Prime Minister were reported to have been woken by long and sustained bursts of gunfire, the news agency said. Reuter reports from Harare:

Former Rhodesian Prime Minister Ian Smith collapsed in the Zimbabwe Parliament yesterday and was taken to hospital. A spokesman said Mr Smith, 63, leader of the all-white Republican Party, was in a satisfactory condition, but gave no details.

Below: Mr Mugabe



At the weekend Mr Nkomo appealed to the government to set up an all party parlia-mentary committee of inquiry He is scheduled to give a news conference in Bulawayo today when he is due to reveal Mr Mugabe's reaction to his sug-Reports from Matabeleland earlier this week spoke of a battalion of troops being sent south west of Bulawayo to the

Mr Gemayel, 34, led a coali-

ISRAEL'S soldiers, who once to bring order to Lebanon and talking about a Palestinian the area in the absence of any the home-front is still would never have questioned if it is possible to achieve that." state." Others, such as a kibbutznik

from the same platoon, are beginning to ask if this is the way to try to solve the Palestinian problem. "We do not have to come all the way to Beirut to look for PLO guerrillas or sympathisers," he says. They are sitting in our back yard in the West Bank and Most of the soldiers seem to

Gaza Strip. from the Israeli border are : In what is a radical change questioning the Government's for a former keen supporter of Premier Menachem Begin, the One Israeli paratrooper paratrooper continued: "We stationed at Lake Karoun in know what they want, and we the Bekaa Valley said during a know they won't be happy until recent home leave: "As we hold we give them their state. our positions, we sit and ask Maybe that's where we should be, sitting down with them and

Israeli soldiers feel a long way from home

Another soldier on leave complained about the nature of this war. "Up to now we fought armies and we knew who the enemy was. But how do you relate to a 14-year-old kid with a gun whom you know you have to shoot because he wants to shoot you? It's demoralising."

have accepted the need to push northern bonder. "But what's the point of going up this far? complained a reserve soldier. Many Israelis are also un-

for a very long time to police

ones are depressed and upset the war in Lebanon.

and the civilian casualties. The rising casualty rates is salem on Wednesday, with also having its effect. There are placards saying "We bore burials daily of soldiers who children, not cannon fodder." died in the fighting, which was. originally supposed to have ment and questioning by lasted only a couple of days. Soldiers back from the war zone the PLO guns away from Israel's Even though the army spokes continues, then public oppoman has not updated the figure of 214 dead which he released over a week ago, nobody can to notice the radio happy about the prospect of announcements each day of

baving to remain in Lebanon more casualties. The opposition to the war on

strong national Lebanese army, restricted to mainly liberal Women whose husbands or intellectuals, and small Lettist sons have returned from the fringe groups, such as the fighting areas say their loved Women's Committee against about the scale of destruction demonstrated outside Knesset (Parliament) in Jeru-

> But if the tone of distillusionsition to the war may swell. It is certainly far too early to call the Lebanese war. "Israel's Vietnam," but it is certain that many Israelis already feel that it is very far from their country's finest hour.

Gemayel named for poll

ourselves why we Israelis have

the country's motives for send-

ing them to war, are beginning

to wonder what they are doing

As the war moves towards

the end of its third week, many

soldiers who were originally

told that they were going into

Lebanon to push the Pales-tinian guerrillas back 25 miles

so deep inside Lebanon.

BEIRUT-Rightist Christian militia commander Bashir Gemayel has been nominated by his party to run for President of Lebanon on a platform of disarming the Palestine Liberation Organisation (PLO), his political adviser said yesterday.

"The present phase needs a strong president, who can eliminate the PLO's military presence," Mr Karim Pakradouni, the leading theoretician of Mr Gemayel's Phalange (Kateaed) Party said. "Every Palestinian in Lebanon must be disarmed, because if only one is left armed an entire armed-PLO will be back," he said.

As he spoke at the beachside military command of the Phalange Party in Christian East Beirut, Israeli jets thundered overhead in fresh assaults. on Syrian forces in Lebanon's central mountains and warships pounded the PLO headquarters in Moslem West Beirut.

tion of Christian militias in the 1975-76 Lebanese civil war against an alliance of Leftist Moslems and Palestinian guerrillas. His militiament fraternised with Israel's invasion "The Phalange Party's politi-forces as they reached Chris- cal bureau has nominated our

Beirut to lay siege to the PLO. President. hopes that this nomination will But Mr Gemyel's militias be endorsed by other have refrained from military political and religious leader-ships," said Mr Pakradouni. action across the mid-city Green Line that divides Beirut into Christian and Moslem sectors

to be announced for the race to

tian-populated areas east of comrade Bahir Gemayel for Israeli tanks, expires on Septem-Beirut to lay siege to the PLO. President. We have strong ber 23. Only Maronites are eligible

for the President's office. The Premiership goes to Sunni Moslems and the Parliament Mr Gemayel, a Maronite Speakership to Shi'ite Moslems. Christian, is the first candidate According to the constitution, the 99-seat Parliament should succeed current President Elias elect a new President at a Sarkis, whose six-year term in special session held within the the suburban Baabda Presidential palace, now ringed by 23.

Phalange Party and its allies, controlling about 30 seats in Parliament, insist on holding the Presidential election schedule, irrespective of the Israeli invasion or its aftermath.

Phalangist: officials said con-servative Moslems were expected to give Mr Gemayel the ballot majority in Parliament

Argentine Press reveals the realities of war

BY JIMMY BURNS IN BUENOS AFRES

learning slowly but surely what prise when Mrs Thatcher de-really happened in the Falk-cided to send the task force. lands war-and the lesson is proving a shattering experience. For over two months the

media reluctantly subjected it- protest by Britain's Foreign self to self-censorship, simply Office following the illegal landrepeating the jingoistic rhetoric ing of Argentine scrap mer-of military communiques. chants in South Georgia in of military communiques. chants in South Georgia in Argentines learned of their sol- March convinced the junta that winning the war even as General Menendez was surrender-

journalists suspect a machine and the suggestion of political change.

It is possible the sudden flowering of journalistic "objectivity" is being promoted by military officers who are far from happy with the men who have temporarily taken charge

of the country.
Whatever the reason, the stark reality of the Falklands war is finally reaching the Argentines. Newspapers yesterday pub-lished a report from the unofficial news agency DYN that most Argentine senior generals and members of the Cabinet were only consulted about the invasion of the Falklands on April

2, after it had taken place.
A senior military official, quoted by DYN, says a number of generals objected to the decision. "There were clearly a number of errors, among them a misjudgement of the reaction of. isation of the state of our

BY NICHOLAS COLCHESTER

per year syndicated bank loans

and to increase the flow of trade

credits from \$75m to \$150m per

year, Prime Minister Edward

Seaga told the Financial Times

Mr Seaga was in London this

week putting Pamaica's case to

representatives of 130 banks,

following an earlier discussion

with the major U.S. banks. He

has been stressing the turn-

round in Jamaica's economic

performance since his Govern-

ment swept to power in October

1980 and installed a more mar-

ket-oriented style of economic

Mr Seaga claimed for his Gov-

• A reduction in the rate of in-

flation from 28 per cent in

calendar 1980 to 4.7 per-cent in

• Real economic growth of 1.8

per cent in 1981 after six years

of economic decline, with

growth of 3.9 per cent projected

A reduction in the unemploy-

ment rate from 27.3 per cent

in 1980 to 25.8 per cent in 1981.

Among the key achievements

in an interview.

management.

ernment were:

calendar 1981.

gross \$50m-\$75m (£28m-£41.8m) cent

Jamaica aims to double

annual trade credits flow

THE ARGENTINE public is were taken completely by sur-DYN also claimed the junta had resolved to invade the Falklands in June or July. But the diers as picturebook heroes, is had been presented with the be missed.

The picture of cynical calcu-All this has now changed as lation—as it turned out, tragic miscalculation - by breakdown in the military country's military rulers has emerged amid embarrassing revelations about the conduct of the campaign.

The aftermath of the proving potentially the most dangerous problem facing the military as it tries to hang on to power until 1984.

Local newspapers reported that returning soldiers claimed that they were totally unprepared for the campaign against the British. They suffered from poor food, inadequate equipment, and misinformation from commanders.

Writing in the mass circulation weekly Gente yesterday, Anibal Rotundo, an Argentine TV cameraman whose film was heavily censored throughout two months of fighting, gives an eyewitness account of "the horrors of the war."

He claims that in addition to junta had hoped simply to press treme hostility from the local Britain into negotiation and kelpers.

Jamaica's credit needs form

part of a total investment pro-

jection over five years of \$5.2bn,

of which one third will be

funded externally and two thirds internally. Of the external com-

ponent of \$1.7bn some \$1bn will

be provided by official flows and

\$700m will be required from the

international private sector.

Part of this latter sum will be

provided by direct inward in-

vesment. Mr Seaga said that by

the end of this year the Jamaica

National Investment Promotion

Corporation would have some

125 new projects under way, of

which two-thirds were funded

from overseas. Currently 66

projects are underway, involving

Mr Seaga took a scathingly pragmatic attitude towards the

campaign for a New World Economic Order: "They do not

say they should earn more through exports. They say the

Northern countries owe us a

living, should make more money

available, should transfer more

resources without any basic un-

derstanding whether money re-

total expenditure of some

Balsemao to lead official visit to Mozambique

THE PORTUGUESE Premier, Sr backed by South Africa, has Francisco Balsemao, will visit forced the Marxist Frelimo visit to Mozambique since its

Sr Balsemao and his party of cabinet ministers, secretaries of state and senior businessmen from the public and private sec-tor will offer technical, industrial and financial co-operation to Mozambique at a time when the former colony is under severe strain.
Intense guerrilla pressure from the National Resistance

Movement (MRN) which is

ECONOMIC STRATEGY IN QUESTION

Mozambique on June 27. He regime to take drastic measures.
will be the first Western head President Samora Machel has President Samora Machel has of government to pay an official been obliged to cancel a Eurovisit to Mozambique since its pean tour planned for early independence from Portugal in July, considered vital to Mozambique's new approach to Western aid. He has taken personal control of military opera-

tions, distributed arms to the

and this was considered by ob-

servers as an attempt to win

Moslem sympathy for

population and ceclared a curfew in the capital, Maputo. In this context Portugal's willingness to help Mozambique with limited means, or be an honest broker for co-operation from other Western nations,

Four more S. Korean Cabinet Ministers sacked

WINDSURFERS watch as a shipload of foreigners leave the Christian-controlled port of Jounieh. American, British and French

nationals have been advised to leave Lebanon

BY ANN CHARTERS IN SEOUL

PRESIDENT Chun Doo-Hwan broaden the Government's base yesterday removed four more of support. Cabinet Ministers in an effort is Kang Kyong-Shik, formerly finally to neutralise the effect of last month's multi-milion technocrat. He is regarded as scandal.

The new Prime Minister, is plan. Kim Sang-Hyup, former president of Korea University, and Minister of Justice, replaces the drafted Korea's 1980 constitu- was named to the same post tion. He served as Minister of after heading the prosecution Education in the early years of investigation of the market former President Park Chung-Hee's tenure, and is a respected Energy and Resources is Suh independent. His appointment Sang-Chul, assumes particular importance. may signal an attempt to Minister of Construction.

Named as Minister of Finance

Korea's fifth five-year economic

Mr Bae Myung-In, the new a member of the committee that man who just two weeks ago formerly

The official selling rate for Iranian Light 34 degree crude is now set at \$31.29 and for Iranian Heavy 31 degree at \$29.30, according to telexes sem to customers earlier this week.

This compares with prices, respectively, of \$34.20 which would be charged if the maverick Opec member had adhered to the realigned pricing

Iran's move was not un-

As much as one-third of Iran's exports have been sold on the spot market. Such sales have recently been estimated as 650,000 b/d, and a further significant proportion is accounted for by barrier deals and refining arrangements in-

attracting back Japanese customers to the tune of 75,000 b/d. This week the official news agency Irna reported the signing of barter agreements with Argentina and Brazil involving crude sales worth \$400m this year and 51bn in 1983.

now running at 2.2m b/d, of which 1.8m b/d is being exported, compared with a quota agreed by other members of Opec of only 1.2m b/d, though this figure is reckoned by some traders to be an exaggeration.

day stoppage due to sand storms. Loading was resumed The former Minister has won yesterday at Kharg Island. Opec's four-man ministerial

monitoring committee is proviso flagrantly breached by Iran.

Benefits get smaller for big-thinking New Zealand the U.S. and Britain, and a real-their own personal hardship, Argentine soldiers faced a highly equipped and profes-According to the report, the sional British force, and ex-

BY DAI HAYWARD IN WELLINGTON

NEW ZEALAND'S "think big" economic policy, involving the establishment of more than a score of multi-million dollar projects is starting to lose some of its grandeur. With the loss of impetus Prime Minister Robert Muldoon, who successfully fought the 1981 election, and the policy proprieting colon. on the policy promising golden tomorrows with thousands of new jobs and other economic benefits, is beginning to come under pressure.
The collapse of talks on JAMAICA hopes to raise a IMF had set a target of 3.4 per

Wednesday on the controversial NZ\$795m (£337m) Araomana aluminium smelter is only the latest of the "think big" projects to run into difficulties and problems, which are generating increasing doubts about the economic strategy as a whole. It was the recent claim by former Works Minister, Mr Derek Quigley, that the growth strategy was neither generally understood nor supported and that there were some aspects which needed rethinking, that led to his sacking by the Prime

Minister last week. troversy and argument almost from the day it was first announced. The proposed smelter was designed to utilise the cheap electricity from the huge Clutha River hydro pro-

ject and it was this electricity
—or rather the price the New Zealand Government wanted for it—which caused the final now been abandoned.
breakdown and collapse of the smelter become smelter talks. On March 1 last year Alususse, a major partner with least \$NZ15m. Others have least \$NZ15m. Others have also run into delays and less Zealand and Gove Alumina of Australia in the consortium

How the cost mounts up THE COST of New Zealand's

think big projects has jumped considerably over the past year. Eleven of the original 24 projects still on schedule are now estimated to cost NZ\$5,375m (£2,279m). In November 1980 the estimate was NZ\$3,875m. Some of the major projects with 1981 cost estimates are:

 Marsden Point Refinery expansion; cost NZ\$950m-double its 1980 estimate. • Taranaki Ammonia Urea Plant: cost NZ\$95m—1980 estimate NZ\$80m.

• New Zealand Steel expansion (south of Auckland); cost NZ\$750m-1980 estimate

• Whirinaki Pulp Mill (centre of the North Island);

• A methanol plant near New Plymouth; cost NZ\$175m

-1980 estimate NZ\$140m. Synthetic petrol plant in Taranaki; cost NZ\$960m— 1980 estimate NZ\$500m. • Tiway Point Invercargill

aluminium smelter, third pot plant; cost NZ\$175m-1980 estimate NZ\$200m. (This is the only project where detailed planning has lowered estimated costs.) • Liquigas liquid petroleum

gas distribution system; cost NZ\$151m — 1980 estimate NZ\$15m. Extensions to Tasman pulp

and paper newsprint plant near Rotorua; cost NZ\$255m —1980 estimate NZ\$200m.



Araomana, with a planned capacity of 210,000 tonnes a instigated a world-wide search tially reduce the country's bal- wage freeze alone will not be year, has been plagued by confor a new partner with the ance of payments deficit. Mr enough. required technical expertise. Muldooni still insists, however, Pechiney joined the team. But Pechiney, was not prepared to pay the minimum price

> broken down, the project has The smelter becomes the fourth casualty out of 24 "think

demanded by the Government

that the construction projects to get under way will unleash a flow of benefits and for a long-term power contract stimulate the economy as early and with final negotiations as next year.

The Institute, which two days

before the freeze, announced on Tuesday, had predicted an inflation rate only 3 per cent below today's 15.3 per cent by March 1983, had to do some hasty revisions. Yesterday it forecast, anew, that the freeze will bring inflation down to about 9 per cent by March next year.

gramme for the first of the pro-

The setbacks have caused obvious problems for the 'think big" policy and this week Mr Muldoon imposed a stringent and absolute freeze on wages and prices to try-in his Government supporters, have words—to "squeeze inflation out

Many leading and respected economists, as well as traditional tion away from the sacking of

already warned the Prime

The more important of these

are tax reforms, the removal of regulations which restrict competition, greater encouragement for savings, production incen-tives, stricter control of the money supply and a better between unions and employers. The Prime Minister has already hinted that he intends.

to tackle at least some of these in the budget and that he wants to take advantage of the freeze to achieve a more lasting effect on inflation. Several times in the past few days he has commented that the severe controls introduced on Tuesday night must be judged alongside measures yet to be introduced One of these will be cuts in:

personal lax (which the Prime Minister says will help offset the wage freeze. In the past two months there

has been something of a prebudget consumer boom, but Mr Muldoon may now hesitate before introducing more taxes on comsumer goods and the new sales taxes may its shelved, at least temporarily. Mr Muldoon is anxious to

point to success in reducing inflation to boost his flagging and personal popularity.

The timing of Tuesday's freeze announcement was related to this and was regarded by observers as a diversionary move by Mr Muldoon to draw public atten-

Mr Quigley.

Iran oil price raised

By Richard Johns

THE INCREASE by Iran of \$1 in the price of all its varieties of crude oil brings it a little closer to the price structure agreed by the Organisation of Petroleum Exporting Countries (Opec) last October.

expected but it comes at a time when the price paid for Iranian Light has slipped to as little as \$31, even less on the spot market. Moreover, many traders have come to accept a considerable discount compared with other Opec crudes as being justified by Iran's lack of credibility as a reliable supplier. Iran has over-sold, and quibbled about prices after deals have been struck and tankers have

Tehran's aim is to maximise foreign exchange earnings, rather than to mend fences with other members of Opec, however. Iran's price-cutting and rejection of the production allocations agreed in March have gravely allenated other

volving discounts. Iran's pricing move comes in

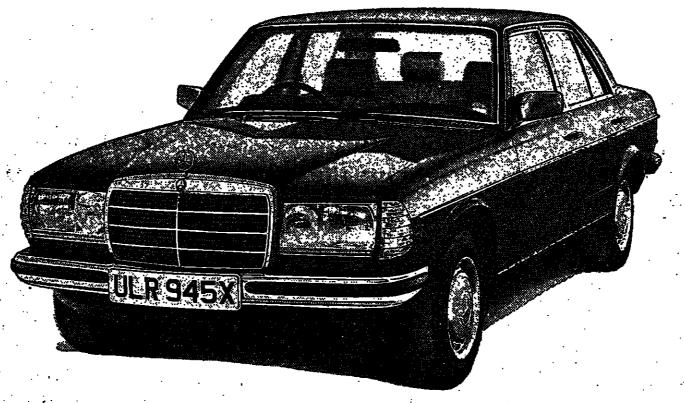
the wake of a rapid build-up in shipments from Kharg Island at the expense of Iraq. Three weeks ago Tehran succeeded in According to one industry estimate, Iran's production is

Shipments recently are understood to have been hit by a 10-

Removal of \$105m of interquires a return or a viability. Minister that the freeze will not wide public support for his Government authority 18 months ago, are now on national payment arrears nine "They are living in either a of the economy." Australia in the consortium planning to build the smelter. Some drastic action was cermonths ahead of the target Some drastic action was cer- work unless the opportunity is stand and for what many tainly needed and overdue but also taken in next month's people see as a point of prindream world or a sixth form schedule.
The Government initially established by the IMF. world. I am in neither. We Reduction of the budget deficit arising out of current spending from 7 per cent of GDP to 1.7 per cent, where the GDP to 1.7 per cent, where the grant of the budget in the system and daunted by the fact that other claimed out of the project. Under the project out of the project. Under the project out of the project. Under the project out of the project out of the project. Under the fact that other claimed to meet in the system and daunted by the fact that other claimed to meet in the system and countries and companies were claimed to meet in the system and countries and companies were claimed the big projects would mists, including the country's mental and sweeping economic within the ruling National closing down aluminium create jobs, provide large scale Institute of Economic Affairs, reforms. Moves which will Party are openly supporting of 17.5m b/d which has been also taken in next month's people see as a point of principal to make the system and daunted by the fact that other the following the country's mental and sweeping economic within the ruling National closing down aluminium create jobs, provide large scale Institute of Economic Affairs, reforms. Moves which will Party are openly supporting smelters, New Zealand foreign earnings and substan-







It's a difficult choice.

Choosing to drive a Mercedes-Benz is easy.

Choosing which Mercedes-Benz to drive is not. Especially when it comes to the 2 litre, 2.3 litre and 2.8 litre series.

It may not appear to be a difficult choice. In fact, because the three cars in the series look almost identical, there doesn't seem to be any choice at all.

But if you get in, start them up and put your foot down, you'll find three completely different Mercedes-Benz saloons.

One of which is right for you.

Iran oil

price

raised

The efficient Mercedes-Benz 200.

Maybe the nicest thing about driving the least expensive car in the series is that you'll never feel like you're driving the least expensive car in the series.

The acceleration is brisk. The cruising speed is 100 mph. And it has the same quality of Mercedes-Benz inner peace and quiet as its larger-engined brothers.

The lively Mercedes-Benz 230E.

The 230 stands for 2.3 litre. The E stands for einspritz, meaning fuel injection. The combination leaves many other mid-size saloons standing still.

Zero offset-steering, double wishbone suspension and progressive power steering are just three of the many design features that give the 230E driver that legendary Mercedes-Benz'feel of the road.

The powerful Mercedes-Benz 280E.

The 2.8 litre, 280E isn't just fast. It's fast quickly. The fuel-injected, twin overhead cam, six-cylinder engine generates 185 DIN/hp effortlessly.

In fact, it actually feels as though the car appreciates acceleration.

It devours distance with the ease of a luxury saloon and the agility of a sports car.

So you're faced with a choice of three fine Mercedes-Benz saloons, right? Not quite. You also have two diesel options, with the 24 litre, 240D and the 3 litre, 300D.

The decision grows more difficult.

Features common to the series, uncommon in other marques.

The difference between a journey and a drive is not semantics. It's ergonomics. That means the efficiency of a person in his working environment."

In a Mercedes-Benz, that translates to less stress. Because the less stressed you are

whilst driving the more relaxed and comfortable the driving becomes.

The orthopaedically designed seats with springs tuned to the car's suspension. Superb all-around visibility. Efficient sound insulation and vibration dampening...all part of the engineering concept designed to reduce wear and tear on the car's most important component—you, the driver

Further examples: the heating and ventilation system can keep the front seat passenger and driver at different individual temperature levels.

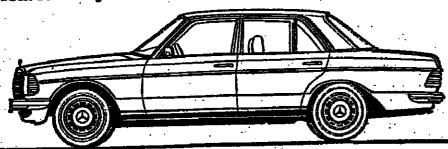
All the controls are intelligently laid out, to maximise your concentration on the road.

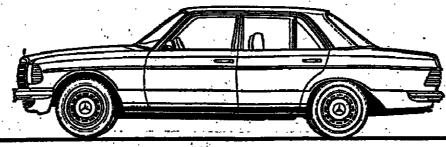
The instruments communicate quickly and clearly.

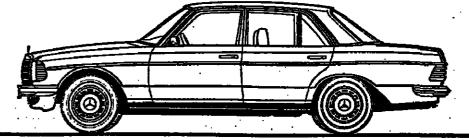
Engineering principles like these have always tended to make a Mercedes-Benz a slightly dearer car. Yet, the starting price for a 200 saloon is £9,130, (excluding number plates and road tax).

Which means that this, with five engine options, is not only the most versatile Mercedes-Benz series.

It also provides the reachable star Engineered like no other car in the world.







Bonn opposes trade war with Moscow

BY JONATHAN CARR IN BONN

West German Chancellor, has emphasised that the controversial Soviet-European gas pipeline project will go ahead, and that Bonn will not take part in any trade war against Moscow.

Herr Schmidt made the points in a foreign policy declaration in parliament yesterday — nearly a week after the U.S. announced tougher trade sanctions against the

Soviet Union. Recalling that the European had already Community expressed concern and regret at the U.S. efforts to prevent or at least delay the pipeline project. Herr Schmidt made three main points:

● The U.S. had repeated its criticism of the deal to European governments recently, but had not warned that it planned to extend its existing embargo

 Bonn would stick to the deal it was necessary to diversify West German energy The business would not mean West Germany be- war," Herr Schmidt declared.

HERR HELMUT Schmidt, the came over-dependent on Mos cow for energy.

• The U.S. and the Europeans would now have to have talks to try to ensure that the differences over the pipeline embargo did not damage general trans-Atlantic economic co-operation.

The Chancellor noted that at the Western Economic Summit in Versailles earlier this month all participants had agreed to conduct their business with the Comecon countries according to "commercial prudence." it had also been agreed to improve control over the export of strategic goods to the East.

It had been relatively easy for West Germany to agree to these principles, Herr Schmidt said, since they implied no change in the policies already being followed.

"However, what should not happen, and what will not happen after Versailles so far as we are concerned, is that a trade war break out with the Soviet Union, which itself could usher in a new period of cold

Thatcher fails to free John Brown contract

MY MARGARET VAN HATTEM, LOBBY STAFF-

ONE of the disapointments of hoped to persuade President the John Brown group.

The contract to supply equipment for the trans-Siberian gas nipeline has been held up President Reamer's formula for the U.S. Secretary of State, made it clear after Wednesday's talke that the Brandon talks dent Reagan's decision, last December to impose curbs on exports of technology to the Soviet Union in protest over Soviet involvement in Poland.

Scotland, Mrs Thatcher had ciples we have ours."

Mrs Thatcher's U.S. visit has Reagan to release U.S. licencing been her failure to persuade and relicencing requirements in President Ronald Reagan to so far as they affected the help unblock a contract held by supply of General Electric

talks that the President had refused her request. The President had been fully aware of the probable consequences of his decision when he took it, Mr Haig saig. "He took his stand As the contract involves a as a matter of principle. Just substantial number of jobs in as Mrs Thatcher has her prin-

Cable and Wireless wins £200m Saudi deal

By Guy de Jonquieres

CABLE and Wireless has won a £200m contract for the second part of a programme to equip Arabia's National Guard with a sophisticated nationwide communications system.

The contract was placed by the UK Defence Ministry, which negotiated the arrangements with the Saudi Government. It said yesterday that the project would last two or three years and would incorporate new features as well as ex-tending existing facilities.

Cable and Wireless won the first part of the programme; also valued at about £200m, in April 1978. It is understood to have faced no serious competition for the second stage

Cable and Wireless will act as project manager. It does not manufacture equipment itself but sub-contracts work to a variety of suppliers based in the UK and overseas.

Few details are available about the Saudi system, which is designed to provide a support network for the 35,000-man National Guard, an autonomous defence force composed of hand-picked troops.

The agreement on the second part of the programme was signed in Riyadh on Tuesday by Mr James Craig, the British Ambassador, and Prince Badri, deputy com-mander of the National

Export credits deadline set

By Giles Merritt in Luxembourg THE FUTURE of the driterrational export consensus hangs forbearance of the U.S. and Japan as the EEC seeks to resolve internal disputes. Both have made clear their displeasure at further delays to settling a new regime for export credits.

European Community govern-ments have decided to seek a further extension of the OECD countries' present conon export credits, after failing to agree on compromise proposals to re-concile the EEC view with the U.S. and Japan.

(Advertisement)

S. Korean shipyards pay price for success

shipyards are beginning to pay container ships. a price for their success in the He cites two recent internamidst of recession — a rising tional biddings, one for a 38,000. the subsidies they enjoy.

The criticism comes on the heels of Korea's shipyard expansion, which came on stream last year just in time to coincide with the fall in new ship orders and cuts in older shipyards in Europe, Japan and the U.S.

Korea's expansion has helped it move into second place in the world (after Japan) in new ship production. Korea now takes 8 per cent of world orders.

Competitors are claiming that to the industry are excessive Organisation for Economic Co-operation and Development.

Korea is not a member of the OECD and is not bound by its agreements, which include cuts in world shipyard capacity. In effect, the Koreans are accused

Korean shipbuilders and the government, sensitive to such charges, assert that delivery time and foreign exchange risk have been the key factors—not just price—in winning contracts. Mr Lee Kyoo-Shik, the Ministry of Commerce and Industry's director of shipbuild-ing, claims that Korean prices for ships are lower for basic is, such as bulk carriers,

but can increase substantially

SOUTH KOREA'S booming for value-added vessels such as tends that its prices for ships

tide of foreign criticism over dwt bulk carrier when Korea's bid of \$607 per dwt was slightly lower than Japan's bid of \$666 and another for a full container ship, 31,000 dwt class, which brought bids of \$1,507, \$1,426 and \$1,256 from Sweden, Korea and Japan respectively.

"Korean shipbuilders are even charged with damping at times when Korea is not the lowest bidder," Mr Lee claims.

For less-sophisticated ships, much of Korea's competitive advantage stems from its labour According to a recent Korean Government subsidies U.S. Maritime Administration report, Korean workers receive and that Korean export-financ- wages estimated at one-third ing is more advantageous than those of their Japanese counterthe terms agreed by the West's parts, although they are still leading industrial nations — the behind Japan in terms of behind Japan in terms of productivity. Delivery time on new orders

can be condensed because workers will work 24 hours a day to meet deadlines.

Mr Hong In-Kie, president of Daewoo Shipbuilding and Heavy Machinery said: "This is Korea, we work Sundays."

Daewoo's order-book as of the end of May held 19 ships with 474m gross tons valued at \$840m. This does not include the container ships for U.S. lines which are still under negotiation for financing, Daewoo inaugurated its shipyard last autumn with 12m gross tons in capacity, but is saddled with large debt

Hyundai Heavy Industries, Korea's largest shipbuilder, con-

are not substantially lower than those offered by the Japanese, but that delivery is better and the currency risk to the customer is less since Korean companies price contracts in U.S. dollars.

Japanese shipbuilders price in yen and the client takes the exchange risk. As of the end of May, Hyundai had an orderbook with 47 ships at 1.1m gross tons valued at \$1.4bn. New orders this year accounted for only nine ships at \$162m.

Practically every ship order in Korea requires imported materials and components, although the Government has encouraged the growth of heavy industry and the local content has risen to 60 per cent with self-sufficiency to reach 90 per cent by 1984. Most specialised steels are still imported from

From next month, Korea's Export-Import Bank will award preference in financing to those shipowners using more Kerean components, notably marine engines. This may be a difficult policy to implement in today's tight, buyers' market, but Korean engines, built under licence from Sulzer Brothers of Switzerland and Burnneister and Wain of West Germany, among others, have established a reputable performance.

recent expansion is being noted ben shelved—at least until the end of 1983, when the Government will review the market.



Work in progress at Hyundal's Ulsan yard.

The Government has asked many takers closer to 2.2m gross tons annually, rather than 4m, according to Mr Lee.

Korea's major shipyards have work through early 1983, but will face difficulties if new The cost of backing the by the Government Empansion orders do not nick up, Govern-plans for the industry have now ment plans to offer domestic ment plans to offer domestic shipowners export financing terms for ship orders placed with local yards may not find

the yards to recalculate their The Korean fleet stready capacity which is probably carries its share of cargoes from its trading partners and the world bulk carrier and tanker tonnage on order suggests that prospects are slim for picking up third country cargets: Moreover, Korea's export financing covers only 56 per cent of the price at

UK cotton industry concerned over import quotas

BY NICK GARNETT, NORTHERN CORRESPONDENT.

THE British Textile Employers' credits Association said yesterday that the present trend in negotiations for the new round of bilateral textile imports quota agreements was causing grave concern for the UK cotton industry.

cators are showing

Compared with a

year earlier, sales at large retail stores

climbed 7.1 per cent

in February, but the

growth rate slowed

to 3.1 per cent in

March; the out-

standing balance of Bank of Japan

notes issued showed

increasingly higher

rates of growth -

6.3 per cent in

February, 6.4 per

cent in March and

7.6 per cent in April.

with the prospects

of an average 7 per

cent wage increase

for this year and

continuing stability

of consumer prices,

the movements of

these indicators may

safely be assumed

to be adding up to a

trend of gradual

recovery of personal

There are some stirrings in

housing too Housing starts in

March edged up 0.8 per cent

over a year earlier, the first

increase since last May. This

presumably reflected relax-

ation of lending terms of the

public housing financing agen-

cy and for that reason may

be brushed aside merely as a

temporary phenomeron; but it

may also be taken as indi-

cating there does exist sufficient

potential demand for homes

and the only thing needed to

tap them, is easier finance.

With some improvements tak-

ing place in that direction, the

slump of housing may have

The future trend of business

capital investment is not clear.

Seasonally-adjusted shipment

of capital goods (excluding

transportation machinery) rose

0.2 per cent in January, 1.1 per

cent in February and 2.6 per

cent in March, respectively

from the preceding month.

But orders for machinery

(exclusive of those placed by

the electric power industry and

those for ships) likewise drop-

ped 6.2 per cent in January, rose

4.0 per cent in February and

went down 0.8 per cent in

March. The zigzag move-

reached the low point.

consumption.

Taken together

varying

The association believed the EEC may be close to agreeing the 1982 quota for Peruvian yarn imports.

This would follow agree creases of between 1 and 2 per Sri Lanka were being seen by

1982 quotas.

Recent Trends in Year-to-Year Export &

M-LG-0 2-L L-AM-LG-0 2-L L-AM-L

Note: Seasonally adjusted Source: Bank of Japab

L-1980-J - L-1981-J L-1982-

vestment in view of uncer-

tainties over the future business

trend and depressed markets.

businesses for fiscal 1982, how-

ever, are generally firm, if not

as strong as last fiscal year.

Various surveys show that they

are to increase by more than 8

per cent on an average. Par-

ticularly large investment is

planned by steel, electric power

The Bank of Japan sold a sig-

nificant amount of Treasury

Bills on the money market in

May in order to absorb surplus

fund generated by seasonal

factors. TB selling by the cen-

tral bank during the month fol-

lowed similar operations in

April, and it now appears to

have become an established

The biggest problem in the.

tool of monetary adjustment.

fiscal and financial scene in Ja-

pan at present is the growing

prospect of huge tax revenue

shortfalls in the Treasury.

Shortfalls for fiscal 1981 are

said to be reaching a stagger-

ing ¥3.000 billion. While short-

falls for fiscal 1981 are going to

be met by makeshift methods.

like drawing on various re-

serves, the real trouble they

represent is the prospect for

even larger revenue shortfalls

in the current fiscal 1982.

and leasing industries.

Huge revenue shortfalls

Spendings for plant and equipment planned by larger

Import Growth Rates and Trade Account

The association, which represents the majority of companies involved in the cotton and allied man-made fibre industry, said the Government and the EEC had indicated that early quota agreements would be balanced out" in tougher bilateral agreements would be negotiated with other exporting countries.

But there were already signs ments already reached with that "concessions" by the EEC Pakistan within the Multisbre in the first group of bilateral Arrangement (MFA) for innegotiations with Pakistan and

(right scale) (\$ billion

These "concessions" were set the EEC textile market of only per cent in the next year.

the association said. A survey of 68 textile quotas agreed over the past four years showed that, on average, they exceeded the trigger levels by 350 per cent. Pifteen of the quotas exceeded these levels by

600 per cent. The trigger levels are the point at which imports reach a certain level that the Govern-

against an expected growth in series of what it believed were signs that the MFA's control framework had broken down

within the past few years.

Actual imports of Turkish quota was for 1,000 tonnes. Imports of undergarments from South Korea stood at 399,000 items in 1980 but last year's quota was 1.5m.

cent, up to almost double its other exporting nations as a industry, starts the process of unless there were much tighter negotiations on fixing quotas. bilateral import arrangements The association detailed a and firm UK Government support for British companies, the UK cotton industry could shrink to virtually nothing.

At the beginning of 1978, cotton fabrics totalied 115 73,000 were employed in tonnes in 1980 but the 1982 cotton and related textile activities in Britain. The number of people in the industry had shrunk to 36,000 by April of this year. Af least 18 factories employing 1,400 had recently notified their work-Mr Dennis Babbs, president forces that they will be

CDC studies Philippines project

BY EMILA TAGAZA IN MANILA

Corporation (CDC), the Government-owned investment and financing company, is looking into an palm oil plantation project in the keen on offering a 5,000-hectare ber estate project in the Philip-Philippines in partnership with area that was abandoned last pines undertaken by a foreign the state-run National Develop- year by Dunlop International. company. Sime Darby earlier ment Company (NDC).

Mr Roberto Ongoin NDC chairman and Minister of Trade and Industry, extraction plant, but it with ing 12,000 hectares cDC may eventually go into rubber and cocoa estate deve-

Commonwealth kopment in the country.

Corporation CDC representatives have under majority ownership of visited various plantation sites in the southern region of the

Dunlop was to jointly own the 5,000-hectare estate with NDC

If CDC goes into rubber plancountry, but the NDC seems tation, it will be the second rub-

tion project with NDC, covering 12,000 hectares of land in Palawan province in south-

BASF81

BASF Aktiengesellschaft Notification of Dividend

The Annual General Meeting of the Company held on . 24th June 1982 confirmed a dividend in respect of the year ended 31st December 1981 of DM 7 per share of DM 50 nominal value.

The dividend will be paid on or after 25th June 1982 net of 25% withholding tax against submission of dividend coupon no. 38 at one of the paying agents listed in issue no. 113, dated 25th June 1982, of the German Federal Gazette, the "Bundesanzeiger". In accordance with the Double Taxation Agreement of 26th November 1964, as amended on 23rd March 1970, between the United Kingdom and the Federal Republic . of Germany, withholding tax in respect of shareholders resident in the United Kingdom is reduced from 25% to 15%. To claim this reduction, shareholders must, before 31st December 1986, submit an application for reimbursement to the Bundesamt für Finanzen, Koblenzer Straße 63-65, D-5300 Bonn-Bad Godesberg.

In the United Kingdom the dividend payment, which is free of charge, will be made in Pounds Sterling with conversion from Deutschmarks at the rate prevailing on the day of submission of the dividend coupon and will take place through the London offices of the following

Kleinwort, Benson Limited, 20 Fenchurch Street, London, EC3P 3DB.

S. G. Warburg & Co. Ltd., 30 Gresham Street, London EC2P 2EB.

D-6700 Ludwigshafen/Rhine, June 25, 1982

The Board of Executive Directors

BASF Aktiengesellschaft

Production turns weak again as the Japanese

tional call on Japan to activate domestic demand and open its market wider, the Japanese economy is increasingly stagnant, with mining and manufacturing production coming under a spreading shadow of sluggishness. The Government is trying to shore up business by speeding up public works investment, but no significant impact is expected to be forth-

coming. With worsening unemployment in industrialized countries looming as a major political problem, governments are beginning to attach as much importance to cranking up of the economies as to control of inflation. At a recent OECD ministerial meeting, the United States came under attack for its high interest rate policy as amajor stumbling block to stimulation of business in other countries. Japan was not spared either for allegedly keeping the yen weak, failing to boost domestic demand and being slow in opening up its

market to foreign products. within the confines of budget deficits, on the other.

Price stability; slowing output

showing a marked stability. a rise in import and export prices reflecting the deprecia-

Consumer prices, on the

other hand, showed a moderate advance of 4 per cent in fiscal 1981 (ended March 31, 1982). Stability in wholesale prices and relatively small rises in public services charges were

responsible for the stability. In the absence of prospects for an explosion of consumer spending in the near future. consumer prices are expected to maintain a stable trend for the time being.

Behind the stability of domestic prices is the fact that mining and manufacturing production activities are becoming overclouded again.

In March, seasonally-adjusted output rose 1.4 per cent from the preceding month, the first upturn in five months, while the inventory ratio of finished products fell 1.9 per cent, the first decline in three

However, seasonally-adjusted output during the first quarter of the year was off 1.0 per cent from the preceding period; the first decline since 1980 third quarter. The inventory ratio likewise rose 3.5 per cent, the first increase in three

Drop in production is sharp in construction goods and producer goods for mining and manufacturing; consumer durables are still considerably ahead of the level in the third quarter of

Continuous slowdown of ex-

Exports are stagnant of late. Customs clearance statistics show that in terms of dollar value they dropped 4.2 per cent in April from a year earlier, the third consecutive such decline since February. In volume also, they have been trailing the year-before level every month since last December, with the sole exception of January when deliveries of ships were concentrated. Shuggishness in exports appears to have been established as a trend.

Three factors are behind the 1) Measures taken earlier in response to escalation of trade friction are taking their tolls. 2) Inventories abroad of commodities in which Japan

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has outstanding competitiveness, such as video tape recorders. (VTRs) and seamless pipes, are swelling.

3) More fundamentally, the stagnation of the world economy is becoming unexpectedly

overnight, it will take some time for exports to recover

was \$920 million (compared

Speeding up of public works investment

business, the Government has come up with a policy of having 77.3 per cent of public works infor fiscal 1982 signed during the first half of the fiscal year. Such concentration of public works expenditures during the. early months will prove effective in providing a prop to the economy, but it at the same time leads to concern that too little is left of such spending for the second half of the fiscal year. In view of such a possibility, some are arguing for compiling a supplementary budget on a major scale to provide for additional public works investment through issuance of more construction bonds. Such an option, however, needs careful examination because of possibility of budget deficits of

staggering dimensions.

rise after inflation. Consumption-related

We have your interests at heart.

DAI-ICH! KANGYO BANK

The next DKB monthly report will appear July 27.

DAB ECOLONIC REPORT June 1982: Vol. 11 No. 6 economy continues in the doldrums

Despite the growing interna-

If the U.S. interest rates get headed downward. Japan may become the sole target of criticisms at the forthcoming summit meeting of the industrialized countries. What Tokyo should do under such circumstances will be to come up with opening, and at the same time to publicize the policy to keep short-term interest rates high to support the yen's value, on one hand, and fiscal steps to stimulate domestic demand

In contrast with high inflation in the industrialized world in general, prices in Japan are

Wholesale prices in April rose 0.3 per cent from March and 2.8 per cent over a year earlier. The third consecutive monthly advance of the index was almost entirely caused by tion of the yen (9 per cent during the three months).

London Branch: 5th Floor, PSO Bldg., Leadenhall Street, London EC3V 4PA, England Tel. 01-283-0929 ary: Dai-Ichi Kangyo Inlemalional Ltd., 1/3, College Hill, London EC4R 2RA, England Tel. 01-248-7021

Since these problems obviously cannot be resolved

from the present slowdown. Sluggish exports are resulting in a narrowing of trade surplus as a whole, but not with markets with which trade friction; is escalating, such as the U.S. and the European Economic Community. On a customs clearance basis in April, the trade surplus with the U.S. was \$1,052 million (compared with \$850 million in the same 1981 month) and that with EEC

with \$996 million).

In an attempt to shore up vestment contracts budgeted

Moderate recovery of domestic

Household consumption expenditures in February rose 6.4 per cent in nominal terms and 3.2 per cent in real terms over a year earlier, the highest rise since February, 1980. It was the second consecutive monthly

ment presumably reflects businesses' sentiment, especially among smaller enterprises, increasingly cautious about in-

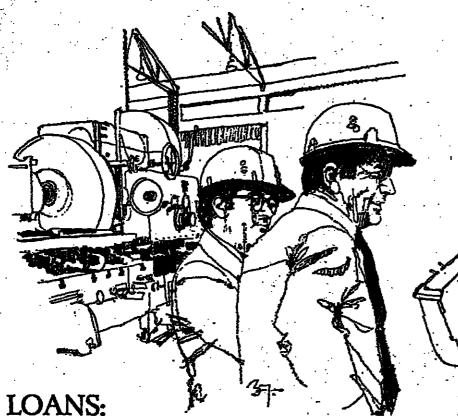
Talk it over with DKB. The international bank that listens.

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Success

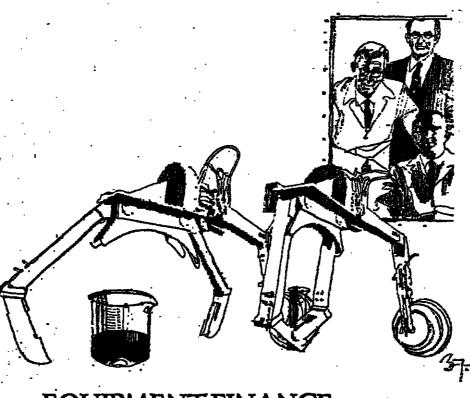
[Lotas

Money from the Midland.



From 1-20 years, divided into short, medium or long term periods.

Generally, the longer the working life of the asset, the longer the loan period.



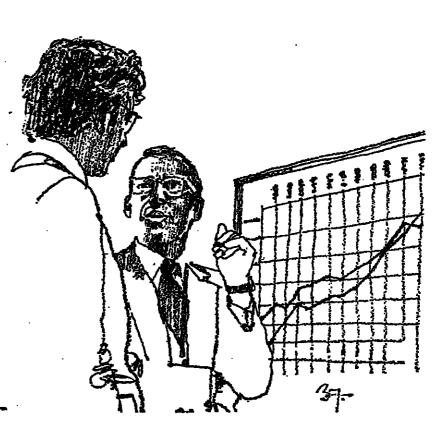
EQUIPMENT FINANCE:

Equipment finance is possible through Leasing and Lease Purchase, depending on your tax position.

With Lease Purchase, you claim available tax allowances directly.

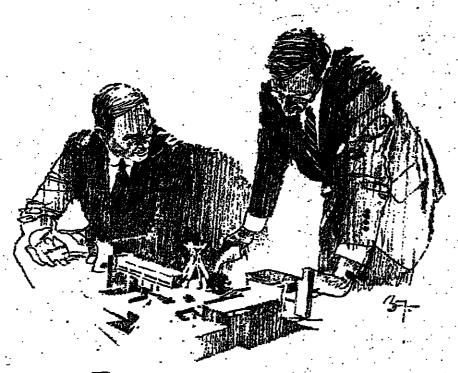
With Leasing, you can make use of any allowances in the form of reduced rentals.

Either way, you can acquire equipment without draining



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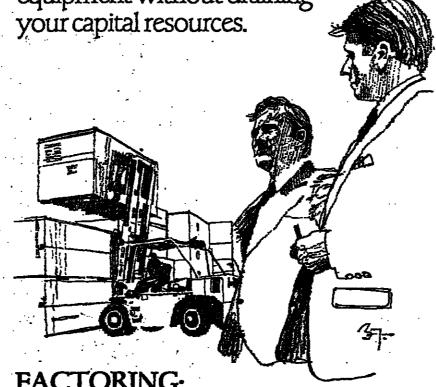
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Building societies plan biggest ever merger

BY MICHAEL CASSELL

THE LARGEST merger in build- and home-loan business. ing-society history is planned by Burnley and Provincial building societies whose members will be asked for their approval in the autumn. If the proposal pro-ceeds, it will create the sixth largest building society. The society would have assets of more than £3.25bu. 375 branches and more than 1.5m customers.

The announcement comes when the pace of mergers in the building society industry is in-creasing rapidly. Most larger societies believe they will have to grow even bigger to compete from about 250 to 100 over five successfully among themselves years. In 10 years the number and with the banks for savings could be below 50.

The new society would be called the National and Provincial. It is the first time two societies with assets in excess of £1bn each have decided to combine. The Provincial with assets of £2bn lies eighth in the league of largest societies. The Burnley is in 13th position.

Mr Brian Holmes, chief executive of the Provincial and the proposed chief executive of the new society, yesterday said the number of societies could fall from about 250 to 100 over five

asound in two years, and that more than 90 per cent of funds involved would be controlled by 10 societies. "National and Provincial will be one of these top 10," he said.

overtap in about 60 locations.

As many as 30 branches could be closed. The societies say they do not envisage any redundancies.

The merger is designed arise.

Mr Holmes said more major mergers were on the way. He would be extremely surprised if this was the last, or even the largest, building society mar-riage announced in 1982. At

The merger means the en-

Mr Holmes emphasised that larged society's extensive cial chairman, said the merger the assets of all societies would rise from £65bn to more than £80bn in two years, and that As many as 30 branches could world. Competition in the saves to the second society of the same second world.

cipally to provide economies of scale. These would cut operating costs to levels achieved by the largest building societies. The plan is intended also to generate the resources which the societies say will be neces-sary for success in the highly least two more were likely, he sary for success in the competitive environment now said.

advanced electronic technology to provide customer services. The new society would be in a position to make the capital commitment for this.

The Provincial, with other large societies, has been examining closely the potential for extending its money-transmission services and the allied plastic-card services provided

ings and mortgage finance mar

kets would rely increasingly on

Mr Dennis Howroyd, Provin- by banks.

ago." Sir Geoffrey said. between the time when com-panies joined the scheme to the

Results, Page 21

Docklands rail link to cost £65m

By Hazel Duffy,

A PLAN to link London's Docklands by rail to the City and the East End at a cost of £65m will be submitted to the Department of Transport soon, following its approval hy the Greater London Coun-

cil's transport committee. The link is the first major decision on the transport needs of the Docklands after decades of discussion. It would provide two light rail links: one between the Isle of Dogs and Tower Hill-bringing the central husiness district in easy reach of the Docklands-and the other between the Isle of Dogs and Mile End, linking in with the existing Underground net-work in the local hinterland.

The GLC backing follows the preparation of a joint re-port by the council, the London Decklands Development Corporation. three Government departments (Environment, Transport and Industry) and London Transport. The commitment to a rail

link, which will depend on the Government agreeing to fund the scheme, is seen as a prerequisite fer creating confidence for going ahead with development of the Docklands.

Mr Dave Wetzel, chairman of the GLC's transport com-mittee, said yesterday: "Just building the railway would attract more than 9,000 jobs to Tower Hamlets-one of the areas in Lendon the hardest hit by unemployment—but connecting Docklands with the City would help provide the right mix of develop-ments, both public and private, necessary for a broad-

based economic recovery The light rail link has been more ambitious expansion of the East London-New Cross Underground route, which would be much more costly. The light rall link, using existing rail rights of way re-linquished by British Rail. would be the first in London. The GLC, which is reason-

ably eptimistic that the scheme will receive approval for government funding, expects that the technical assessment of the equipment requirements would follow quickly. It is estimated the scheme could be in operation

Small business failures set out

By Our Industrial Editor JUST MORE than 40 per cent of the 60 small businesses which were believed to have

shut under the Government's small-companies, lean-guarantee scheme were new businesses, the Industry Department said yesterday. The total number of The total number failures, which is believed to have risen from 50 to 60 in the past fortnight, has not been confirmed officially.

The figures mean about 60 per cent of the failures were among existing companies given exita finance under the scheme.

total number of guaranteed loans approved since the scheme opened a year ago exceeds 4,500.

Atlantic Conveyor Cunard has asked us to make clear that the Atlantic Conveyor, which was lost in the hostilities, was insured for £10.5m and not for £6.5m as reported in the Financial Times this week.

Steel castings closures scheme revived

castings group, has made pro-posals aimed at reviving the Lazard Brothers plan for ration-Mr Robertson alising the steel castings in-

The scheme, announced last November, was shelved in December because Lloyd, the largest company in the sector, with a 20 per cent market share, refused to join.

Since then, there have been substantial ownership and board changes at Lloyd and the new chairman, Mr Lewis Robertson, hopes the Lazards plan can be rescued.

The plan involved zetting a

number of companies to agree

F. H. LLOYD, the steel and from improved operating condi- rather than to outsiders and mechanism providing for a gap tions would contribute to com- importers.

that he agreed with the pre-vious board that the plan did not take account of the special There was, for example, more real competition in smaller castings said. than in large ones.

a minimum number of com- five largest companies in the panies representing a minimum general steel casting field, they amount of tonnage took part, he

Measures could be devised to make sure that most of the business given up by the "closers" actually ended up to leave the sector while those "closers" actually ended up that remained and benefited going to those in the scheme The proposals were presented

Mr Robertson said yesterday to Lazards about two weeks ago. Mr Robertson said he wanted to dispel the idea that Lloyd, whose castings business is in circustances of large companies reasonable health, was not that made all sizes of castings. interested, "We have made a real effort to be positive," he

han in large ones.

Lazards said yesterday that
But the scheme would work if following discussions with the would be circulating a new draft plan within a month. It would include a proposal for relating the closers' compensation to the transfer of tonnage to the

It would also include a

moment when they had to decide whether they would close or stay in business. A similar rationalisation

scheme for the static high alloy steel casting sector, on which December, was completed this week when four of the 12 foundries closed.

Lazards proceeded with the high alloy plan when it became clear that its general castings sector plan to reduce overall UK capacity by 25 per cent to 150,000 tonnes per year would not be accepted.

Gloomy prospect for Invergordon smelter

BY IAN RODGER

few companies aimed at re-opening the Invergordon internationally competitive. aluminium smelter.

But Mr George Younger, the Scottish Secretary, told a delegation from the highlands yesterday that world aluminium markets were extremely depressed and he would not give odds on for a successful

Mr Younger assured the delegation that the Government was last week, the

The high cost of power was the main reason for British Aluminium's ciosure of the the smelter in December with a loss of 890 jobs.

British Aluminium was among the 16 companies recently approached by the Scottish Office to discuss new terms. But being very flexible on the vital announced it was not interested question of the power contract, because, "On the basis of the

that it will be possible to negotiate terms which would enable smelter competitively profitably." the company to operate the

British Aluminium also reminded the Government that its undertaking to maintain the plant in case another operator could be found expired by the end of June.

Mr Younger said yesterday he would be astonished if British Aluminium started

THE SCOTTISH OFFICE is and was prepared to offer a indications received. British stripping the assets while dis-still holding discussions with a direct subsidy to ensure that Aluminium does not believe cussions were still going on cussions were still going on. The best outcome for the company, he said, would be to find a buyer rather than realising scrap value.

He added that initial discussions had taken place with British Aluminium on mtaintaining the plant after this month. The company had said it was suffering substantial losses and needed the money-about £4m-£5m-which it could raise mainly from recovering the plant's aluminium busbars (primary power conductors).

Leading U.S.banker urges | Canberra expected soon Reagan to spend more

BY PAUL TAYLOR

expansion" of the U.S. economy,

Manufacturers Hanover Corporanot only safe but necessary." Mr Taylor was speaking atthe 35th International Banking becomes said that although Federal de-

THE Reagan Administration courage the introduction of should undertake a "controlled modern plant.
expansion" of the U.S. economy, Additional expenditure could one of the country's leading be offset by greater scrutiny of bankers said in Scotland yester-day. day. defence spending, "without sacrificing the aim of President

Mr Harry Taylor, president of Reagan's defence policy"

"The argument that monetion, the parent company of tary policies cannot be relaxed New York's third largest bank, even cautiously until there is said such an expansion was greater assurance of fiscai restraint can be answered by contending that fiscal restraint the 35th International Banking Summer School, organised by the Institute of Bankers. He becomes counterproductive when recession reduced govern-ment receipts by more than the increased government outlays ficits "rightly remain a con- it occasions," he said. cern," some aspects of govern- Mr Taylor argued that a

These areas included the re- to official regulation and supernewal of the infrastructure such vision of banking "would also as trunk roads, harbours, rail-do much to foster the controlled ways, education and special de- evolution of the banking preciation allowances to en- system."

in wake of Alacrity

ships, will soon be on its way back from the South Atlantic to luxury passenger vessel.

The Ministry of Defence has not confirmed that the Canberra will soon be coming back from duty with the Falklands task force. But the liner is likely to return to Southampton in the middle of next month.

However P & O's cruise flagbefore it can resume its customary role. It is likely to be the middle of September ment spending could be usefully return to growth would benefit be the middle of September increased to stimulate non-commercial banking. He added inflationary growth. that a more realistic approach The frigate Alacrity sailed The frigate Alacrity sailed home from the South Atlantic

be transformed again into a was destroyed by an Exocet missile.

ships have been involved with the task force. The Government has paid considerably more than £50m in requisition and charter fees.
The Canberra could be back

BY ANDREW FISHER, SHIPPING CORRESPONDENT Britain's most prestigious cruise played an important role in

rescuing men from the Atlantic Conveyor container ship, which

About 50 British merchant

in the UK around the middle ship will need several weeks of of July. But with the amount refitting and smartening up of repairs and other work to be done on its return, it is likely to be the middle of September before it starts cruising again. Cunard's QE2, the first task force vessel to return, is still being revamped by Vosper Shipyesterday to a welcome from the people of Plymouth. repair in Southampton. She is due to start sailing again in the The Alacrity, the first task middle of August with a voyageforce frigate to return, survived across the Atlantic.

Chittagong raiders not pirates, judge rules

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

NATIVES armed with knives, Athens Maritime Enterprises marine insurance. who boarded and stole from a Corporation, the ship's owner, ship anchored off the Bangladesh port of Chittagong, were worth of ropes and other equipmot pirates, a Commercial Court ment resulted from piracy or

said Mr Justice Staughton. The (Bermuda). raid on the Andreos Lemnos in The loss Chittagong Roads had been a "clandestine theft." The raiders used force only to make their escape when discovered after completing the theft. 'It is not necessary that the thieves must raise the pirate flag and fire a shot across the victim's bows before they can be called pirates; but piracy is not

committed by stealth," the judge

not pirates, a Commercial Court judged ruled yesterday.

Force, or the threat of it, was an essential element of piracy and essential element of piracy and sent resulted from piracy or robber on board a houseboat in the Thames would be liable to ance provided by The Hellenic and essential element of piracy and the Thames would be liable to ance provided by The Hellenic and essential element of piracy. an essential element of piracy. Mutual War Risks Association

The loss occurred when the the owner's contention that vessel was anchored 2.8 miles piracy could be committed anyoffshore, in Bangladesh's territorial waters. The six or seven raiders were repelled by the captain and crew, armed with jacks, the ship's pistol and ockets.

His view was that if a ship
The judge rejected the Aswas "at sea." or if the attack on

sociation's argument that her could be called a "maritime Piracy could occur only outside offence." then for insurance territorial waters. That might purposes she was in place where aid. be so under international law, an act of piracy could be com-in a test case on marine insur-he said, but different consider- mitted. It was, however, the ance, he rejected a claim by ations applied in the context of absence of force before the theft

Nor did he accept the sug-gestion that, if there had been The judge sa

Mr Stoughton also rejected the owner's contention that where within the jurisdiction of places where great ships go" or "at a place where the tide flows and below all ridges.

was completed that defeated The judge said his conclusion

ciations rules covered the loss caused to shipowners if their force, or terrified into submis-It did not insure a loss when, for example, a night watchman was asleep and thieves stole

clandestinely. "The very notion of piracy is inconsistent with Athens' claim that the loss resulted from riot was similarly rejected, because there had

clandestine theft."

been a riot only after the theft was completed and the equipment thrown overboard.

Chancellor defends level of investment

THE POPULAR notion that

investment in the UK has been much lower than it should have been was described by Sir Geof-frey Howe, the Chancellor, yesterday as "far too simple a He said at the annual dinner

of the Equipment Leasing Association in London that as a share of total output, invest-ment in the UK was comparable to that in the economies of most other major countries, except Japan. "Again, contrary to widespread belief, the share of investment in output is not much lower now than 15 years There were clear signs of a

pick-up in the previously depressed construction sector, he said, with housing starts now 40 per cent up on those of a year ago. "It is fairly remarkable that plant and machinery investment has barely fallen at all during the gurrent recession. Such investment is now 8 per cent higher than in 1979."

The dinner guests also heard that the cost of equipment on the books of Britain's main lessing companies will reach £10bn by the end of this month. Mr Leslie Christmas, chairman of the association mentioned that business this year had shown "an encouraging im-provement" over that of 1981. At the end of last year, the association's 58 member companies owned assets worth £8.9bn and over the year as a whole, did a record £2.7bn of location business in Britain and leasing business in Britain and overseas. Some 12 per cent of

Manufacturers' stocks increase

MANUFACTURERS' and distributors' stocks rose by £110m at 1975 prices in the first three months of the year according to a revised official estimate released yesterday. The rise, which is the first since the fourth quarter of 1979, was £5m larger than the preliminary

investment in plant and equip-ment, in the UK was now through leasing.

Revised figures for capital expenditure in the first quarter, also out yesterday, show a 4.5 per cent increase, compared to the previous quarter.

EEC gives £79m to 128 projects

GRANTS of more than £79m in all, have been made towards 128 projects in Britain. The grants, from the European Regional Development were announced by the European Commission yesterday: They bring to a total of £860m funds received by Britain since the scheme began in 1975. The biggest single grant of the latest allocation, £28.5m, contributes to the £1.5bn, 10-year investment of British Nuclear Fuels in the Magnox spent-fuel re-processing operations at Sellafield. Cumbria. The company is virtually rebuilding its natural pranium reprocessing plant. Scotland receives £11.19m, of which the biggest grant is for a submarine electricity connection between the Orkney Islands and

the mainland. Aid for Irish Gas pipeline

The EEC may pay £12m towards a £50m gas pipeline between Dublin and Belfast, Mr Richard Burke, an EEC .Commissioner, said in Belfast yesterday. The pipeline will carry gas from the Kinsale Field, off Cork in southeast Ireland, to Northern Ireland. It is due for completion in 1984. Mr Burke also unveiled a £4.6m package of EEC aid for the province, to include a £2.1m

aicoort Inquiry ordered on

facelift for Belfast's Aldergrove

patent infringement THE High Court has ordered an inquiry into the damages due as a result of an infringement of a patent for shidinggate valves, owned by Dr Ernesto Fichera, of Stockholm. Mr Justice Whitford held in the Patents Court that the patent was valid and had been infringed by the Flo-Con sliding valves of Flogates and Lloyd-Cooper, two companies which had been sued by Dr Fichers and Fighers Altic Fichera and Fichera Aktie-

Hamilton set to drill second well after gas find off Yorkshire

BY RAY DAFTER, ENERGY EDITOR

AN EXPLORATION consortium led by Hamilton Brothers discovered gas in the North Sea 80 miles off the Yorkshire coast. The well was drilled as a result of pracing encouragement from British Gas Corporation. It has been sealed temporarily as a potential producer. Hamilton Brothers is about to drill a second well nearby to evaluate

the reservoir's extent.

The discovery was made by
the drilling rig Galveston Key in block 43/13 at a depth of about 5,000 ft. Gas flowed in tests at a notal rate of 38m cu ft a day from two sections of the eservoir rock.

Although the new well will be sunk adjacent to the discovery hole it will be drilled at an angle to evaluate the reservoir's spread. In this way both wells and possibly future wells might be linked to a central produc-

It is possible also that other small gas discoveries in the area previously made by Hamilton Brothers could be linked to this

a histus in North Sea gas exploration, largely because the oil industry has been dissatisfied

The British National Oil Corporation yesterday told other North Sea oil companies that UK oil prices should be frozen at \$33.50 for the next three months.

Prices were last raised on June 1, when the reference level was lifted by \$2.50 a barrel in spite of resistance from some major refiners, in-cluding Shell and British

Petroleum. New BNOC contracts, which come into effect on July 1, will maintain the North Sea reference price at \$32.50 un-less there is a significant change in world market rates.

Gas for supplies.

It is understood, however, the Gas Corporation told Hamilton would be willing to pay higher prices for supplies. The Gas Corporation is concerned about meeting needs in the 1990s. Participants in the 43/13 discovery were Hamilton Oil GB

production system. (48 per cent), Hamilton In recent years there has been Brothers Petroleum (12 per a histus in North Sea gas cent), RTZ Oil and Gas (25 per cent), Blackfriars Oil Company oil industry has been dissatisfied (12.5 per cent), Trans-European with prices offered by British Company (2.5 per cent).

British Gas to build £15m heat recovery plant

BY OUR ENERGY EDITOR

build a £15m waste heat recovery plant, claimed to be the first of its kind in Europe. The system will be installed

at the corporation's Kirriemuir compressor station in Scotland, used for boosting the flow of gas along three main feeder pipelines. Incorporating both gas and steam turbines, the plant will replace Rolls-Royce Avon en-gines which are to be retained

to increase throughput during periods of peak demand. The Avon engines will also be used as a standby. The new plant will be based on a Rolls-Royce RB-211 jetpowered gas turbine. Waste heat

gas demand in the UK.

BRITISH GAS is planning to to be in use in only two other gas-handling locations at Columbia, West Virginia, and Erath,

Lousiana.

British Gas and Dorset
County Council have been
awarded the Royal Town Planning Institute's Silver Jubilee Cup for Environmental improvement for the development of the Wytch Farm oil field in Dorset.

The cup was presented yesterday by Mr Michael Heseltine, Environment Secretary. Mr Nigel Lawson, Energy Secretary, is pressing British Gas to sell its 50 per cent stake in the Wytch Farm Field. An offer document is expected to be

published shortly. from this unit will be used to The Town. Planning Insti-condense steam and drive a tute's assessors concluded that second turbine. The two tur- the Wytch Farm development The Town Planning Instibines will be able to handle was a "model, not only for the about half the average daily oil industry, but for anyone who has to handle development British Gas said the process, involving heavy technical equip-which would increase the power ment which is foreign to the of the Kirriemuir station by landscape in which it has to be about 30 per cent, was known sited."

BP oil chief criticises Conoco's price pledge

of such warfare despite the difficulties faced by rivals in refining and distribution

come of Conoco's initiative and union could price members out admitted that "the question of the market by pressing the price sensitivity in the consumer's mind was a critical one.

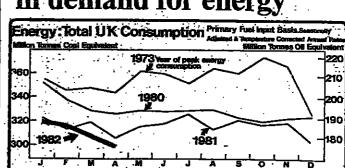
The margin left by the new He acknowledged the advan-price of 1.78p per gallon was tage enjoyed by Conoco in its "on the lew side of what was Humber Refinery and expressed acceptable,"

ANY RETURN to "severe com- scepticism about the assurance petion" in the petrol sales given a week ago by Mr H. K. business could lead only to a Bowden its chairman, that the faster reduction in the number subsidiary of the U.S. company of retail outlets, Mr Ian Walker, did not aim to increase its

chief executive of BP Oil market share, currently about warned yesterday.

Commenting on Conoco's Conoco has given notice that pledge to charge 1p less per it intends to revert to its aggresgallon than other companies in sive pricing tactics of the early the UK retail market, Mr Walker 1960s. Mr Walker suggested did not rule out a resumption that it might merely achieve "the 1990 image of the Aslef' —a reference to the assertion by British Railways' manage-He would not predict the out- ment that the train drivers

Steady decline continues in demand for energy



BY OUR ENERGY EDITOR

ENERGY demand in the United increased deliveries of petrol Kingdom has fallen again as a result of conservation measures and the depressed economy.

Latest government figures show that total energy consump-tion during the February-April period fell to the equivalent of 86.3m tonnes of coal, some 1.5 per cent down on the correspending three months of last

Demand for coal, oil and natural gas has declined steadily since 1979. The con-

quarter, consumption of oil. May coal stocks stood at a fotal products rose from 17.5m tonnes of 46m tonnes, some 1.6m in the corersponding period last

increased deliveries of petrol (up 4 per cent) and aviation turbine fuel (up 5.4 per cent).

Consumption of coal fell by 6.2 per cent (to 29.5m tonnes during the quarter) while demand for natural gas dropped by 6.7 per cent by 0.7 per cent. The gap between UK oil

production and consumption continues to widen. In the February-April period just more than 24m tonnes of oil were produced, mainly from the North Sea. This was 9 per cent steadily since 1979. The consumption level, measured on a seasonally-adjusted and temperature-corrected basis, is more than 13 per cent below the peak rate of demand nine years ago.

Despite the general fall in demand in the February-April a steady build-up in stocks. In construct the same period at a fortal many coal stocks stood at a fortal construction of oil May coal stocks stood at a fortal construction.

year to 17.8m tonnes. Most of month and 5.7m tonnes up on the increase was due to May 1981.

Self-help boost for the young unemployed—by royal command

PRINCE CHARLES has taken the initiative to stimulate job strongly about unemployment creation schemes in Birmingha and he decided last autumn to

initiative committees in the two. The charity was established cities suffering increasingly in 1976 to make funds available from young unemployment. In Birmingham, projects to schemes. Mr Shaw was seconded employ about 200 people have in April, 1980, from the been organised already. Mr Barnard Guard, a full-time Voluntary regional commitdirector, has been seconded tees throughout the UK usually from Marks and Spencer. In comprise social workers, the

Dr Bill Smith as director.

"Prince Charles feels very working discreetly through
the Prince's Trust, a charity, he has assembled employment of the Prince's Trust.

to people under 25 for self-help Voluntary regional commit-

Liverpool, ICI has seconded police, church and education

For the employment initia- false expectations." tive, special committees have been set up to draw in leaders of business, trade unions and better to produce just one ion and the second terms of public agencies. 'In Birmingham and Liver- nothing."

"In Birmingham and Liverpool, we have done something
unique and brought around the
table powerful people able to
get things moving," says Mr
Shaw.

"In recent visits to the Midlands and the North West,
Prince Charles has informally
met the committees to keep up
to date possible initiatives.

The Rev David College chair.

hetter to produce just one job rather than stand back and do

"The Prince's Trust has an enabling role acting as the catalyst to create employment ployment initiative, said yesterresources of finance and man-power, we have shunned publicity in order not to arouse pipeline already.

The biggest scheme initiated by the trust involves a partnerand the Manpower Services Commission (MSC). Ashton and Moore, Birming-ham metal mishers, plans to

refurbish a 19th century build-ing in Hockley, in the city's famous jewellery quarter.
Jewel Court, subject to planning consent, will have up to 40 individual workshops to encourage young people to set up in the jewellery business. There will also be lecture rooms, exhibition space and restaurant facilities to

will be provided for 43
Mr Jonathan Sleigh, MSC's regional director, said the development marked "a major milestone in the city." It was the first time a sponsor from private industry had become involved in a CEP scheme for unemployed adults.

Mr Ashton said Jewel Court

The project will be funded by the Manpower Services Com-

mission under its Community Enterprise Programme. Work

encourage tourism.

with its small workshops would provide a starting place for talented young people

Engineers expect

apprentice intake

orkshire"

re release.

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Eriday June 25 10

to be record low The British Nature of the Composition of the Compos BY ALAN PIKE, INDUSTRIAL CORRESPONDENT ENGINEERING

The Engineering Industry dancies "among apprentices.

Training Board's latest survey of intentions to recruit indicates that only 8.960 new the control of t apprentices will enter the industry this summer and

Last year 14,950 apprentices were recruited, including 4,000 who are being funded by the board with Manpower Services Commission funds, rather than by companies. This year only 2,000 extra trainees are likely to be supported in this way.

"Total recruitment is likely to be much below replacement level," says a training board report. "This is bound to cause trouble in the form of skill shortages in future years." The report says that, while economic indicators suggest that the recession has turned the corner in engineering, there is no sign of any recovery in the industry's recruitment

apprentices. and 1970s, engineering appren- 130 per month.

ENGINEERING INDUSTRY tice recruitment rose above the apprenticeships, which fell last 25,000 level. The current probattumn to the lowest level lem of low recruitment is made since records began, are worse by what the training board describes as an "unprecedentedly high level of redun-

Since September 1981, 1,294 craft and technician apprentices have been made redundant, although the board has managed managed to place most of them in alternative employment or training.

The sarp drop last year in the intake of engineering apprentices was matched in other industries. This is likely to be so this year.

In the construction industry there has been a 16 per cent drop in recruitment of apprentices, and other trainees engaged in off-site training, during the past year. Recruitment in the 1981-82 training year was 9.253, compared to 1,019 in 1980-81.

The Construction Industry Training Board says it is also having great difficulty in finding new employment for apprentices, who are being In the best years of the 1960s made redundant at the rate of

nterprises. Mr Conningham, in his His resignation letter says: letter, then withdraws accept-The thrust behind the pro- ance of the job on the grounds

Regenerating London's industry through the grass roots THE FULL extent to which the Greater London Council is gramme is to integrate GLEB's that the GLC committee had the capital's manufacturing between GLEB, the enterprise, economy from almost total and the unions concerned, amnihilation," he says. Another structure) together with those Since then Mr Murray has document identifies engineering. planning to try to use its business advice and infra-Greater London Enterprise structure) together with those Board as a mechanism for structural change, rather than as a traditional means to enof other organisations (including private sector sources of finance) in support of smaller enterprises and in support of

there is real need and where

they can have an impact. At

the larger end of the firm size

spectrum, GLEB resources can

only expect to have a minimal

details of a series of meetings

with Mr Murray, who, Mr Cunningham says, stressed the

approach over smaller enter-

prices and the importance of

Apart from being contrary

preferable to their present

financial institutions.

about

"limited relevance"

bring

Mr Conningham recounts

as a Iraditional means to en-courage small businesses to start and expand, has become clear in recent GLC documents. The initial idea behind the Labour Party's plan to regene-rate the economy of London and create new jobs involved investment in small businesses, stimulating economic activity in areas suffering from decline." He also said the financial resources available to the GLEB were minute, compared to the overall requirements for orkshops and co-operatives. Mr Edward Cunningham, a finance of industry in London. 'Consequently it makes sense director and deputy chief execu-tive of the Scottish Developto direct these resources where

ment Agency, was appointed chairman and chief executive. Mr Michael Ward, chairman of the GLC Industry and Employment Committee, who regarded Mr Cunningham as a prize catch, then stressed Mr Cunningham's experience in promotion of small companies and development of innovative approaches to investment. Last month Mr Cunningham quit

before he even started work. His letter of resignation underlines the differences priority to investment in large which have arisen between him and Mr Robin Murray, head of change." the GLC's economic policy group and a former fellow of to his own programme, Mr the Institute of Development Cunningham said that approach Studies at Sussex University. could not achieve its objectives Mr Cunningham's policy because medium-sized and large would have limited GLEB in-companies would not see the vestment in any one enterprise GLEB as a source of funds

to £200,000 at first and would have concentrated on smaller

been promote dto be a director clothing and of the GLEB. Mr Alan McGarvey likely sectors. National Enterprise Board and Labour member of Wandsworth

clothing and furniture as the

Mr Ward then swings the approach against the concept of Labour member of Wandsworth the old National Enterprise Borough Council in London—Board, which was watered down has ben appointed in place of by the 1975 Industry Act, and

• It is important to enlarge the control of workers over their work and the responsiveness of firms to consumers.? Michael Ward

Robin Pauley examines the GLC's effort to use its Greater London Enterprise Board to effect radical change

Mr Cunningham as head of the which the Labour Left now GLEB, which will operate with regards as a great betrayal by £25m budget for its first year. rather than the planned £40m. day.
A report by Mr Ward to his committee this month underlined the new approach and the "inadequacy" of the traditional industrial policy, the tenets of

which he listed as: concentration on property infrastructure:

and medium-sized companies to bring about "structural • direct investment in enteronly small enterprises should oe helped;

Dromotion advertising and incentives are a main com- for the GLC elections last year ponent of policy.

large-scale investment the Labour leadership of the

The policy also seeks to avoid the unsatisfactory and alienating aspects of the ways in which the institutions of a National Enterprise Board and Planning Agreemeths were implemented in the years 1974-79 and, by emphasis of the planning of existing local prise should be a minimal and resources, to avoid the competi-peripheral activity: in traditional regional policy."

The Labour Party manifesto included a commitment to wor-This is not enough, Mr Ward ker and union participation. "London's industrial That clearly remains paradecline is so serious that only a mount. "Any intervention by GLEB in pursuit of any of its

investment."
GLEB policy will also be to encourage working people to extend their control as pro-ducers and consumers through the development of new forms

of social ownership. "It is important to enlarge the control of workers over work and the responsiveness of firms to consumers. That is why we should encourage the development of more democratic forms of production such as co-operatives and reunicipal enterprises." Mr Ward says

This all reflects strongly the ideas for which Mr Murray became well known in the 1970s. They are deeply rooted in support for workers' power. The Lucas workers' initiative in the design and manufacture of alternative products is regarded as a key step forward. Its prime mover. Mr Michael Cooley, was appointed this year to the GLC economic policy

The group is also heavily influenced, it is clear, in all its thinking by the "failure" of the National Enterprise Board and of attempts to plan from the top down, rather than up from the grass roots. This leads to support for extensive use of

public money on social enterprise, ratherthan within the traditional economic wheel. gramme, aimed at key sectors of investment functions will be. The level of grant to one bility will London's industry, will rescue conditional on the agreement enterprise will be limited to the outset."

mittee gives special permission. The limit for investment in any one enterprise will normally

be £1m. Given a budgetary limit of £25m in the first year, a prime commitment to achieve structural change in the industrial economy of London through involvement with large enter-prises, and a heavy bias towards social need in decisions on employment, the GLEB will find its target of 10,000 new jobs by

1985 difficult to accomplish. The papers show clearly, how ever, that the appointments of Mr Cunningham and Mr Murray were incompatible. They were both chosen towards the end of last year but once Mr Murray took up his GLC post, there was little possibility of a rapproche-ment with Mr Cunningham's traditional views of economic receneration through concentra

tion on small businesses. The response of large conpanies, the private sector and the financial institutions to the radical approach remains to be seen. Mr Murray thinks they will respond and Mr Ward hopes they will.

Mr Cunningham, on the other hand, warned: "If GLEB announces a programme with size of group (medium to large companies), this objective will be widely seen as unachievable and consequently GLEB's credibility will be questioned from

Big payment for | Fire damage Mersey Docks stockholders

THE SALE of the Merseyside Development Corporation and others of surplus land owned by the Mersey Docks and Harbour Company should enable the payment of at least 12p in the pound next year to the stock-holders of the former dock board, which suffered a financial collapse 10 years ago.

The announcement by the chairman, Sir John Page, was the one bright item in his statement to the annual general meeting in Liverpool vesterday of the reconstituted company, which lost £7.5m last year.

It will be the largest payment so far to the former stockholders, who have received 8p in the £ with a further 20 due this year. The largest payment so far was 3p in 1978.

The meeting, attended by about 100 shareholders, was one of the shortest on record. It lasted less than 20 minutes, with only one question from the

Sir John reported that, so far this year, the port's trade had shown little improvement over that of last year. He referred to the loss of some South American trade follow-ing the conflict in the South Atlantic, and also to import

controls imposed by Nigeria.

He went on: "We cannot continue making losses, as the company would not have the funds necessary for it to carry on in business or for invest ment in the future of the port Every effort therefore is being made to become viable next

The chairman made an updated statement on the negotiations to settle the amounts to he raid to the company for the

"Taking all the lands vested in the development corporation last July, the total sum the company expects finally to receive lies between some £3.5m and

He added: "It is not possible to predict when the whole amount will be paid."

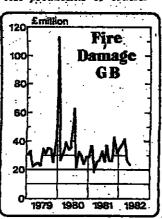
costs fall by £3.7m

By Our Industrial Correspondent THE ESTIMATED cost of fire damage in Britain last month was £22.7m, a £3.7m drop on the May 1981 figure of £26.4m.

During the mouth there were three fires causing damage of more than £1m each and a further 10 costing at least £250,000 each, says the British Insurance

Association.
Another 55 fires caused damage of more than £50,000 and 21 of these were in public places such as cinemas. Schools shops, social clubs and theatres.

The association's figures cover both insured and uninsured damage, but do not take account of other costs like lost production or orders.



Printing groups agree to merge

By Our Industrial Corresponde AGREEMENT has been reached on an amalgamation between the British Printing Industries Federation (BPIF) and the British Carton Association (BCA), subject to a vote of the BCA membership. If the proposal is approved the trade association activities of BCA will be carried out through a special section within the printing federa-

U.S. credit card group opens London branch

MASTERCARD, the U.S.-based international credit card and travellers cheque association, is opening its first London branch office. Mr David McWilliam, an assistant general manager in Bank International's treasury division, has been chosen to head the office and will be responsible for all operations outside the U.S. and Canada.

Mr McWilliam is a former chief executive of Euro Travel-lers Cheque International (ETCI) the ill-fated attempt to establish a Europe-wide travellers cheque bank consor-

The venture failed after West German savings banks refused

founded a wholly British owned company

to participate in a scheme to purchase the Thomas Cook travellers' cheque business from Midland Bank. Mr McWilliam returned las 14-month secondment at ETCI.

In London, Mr Russell Hogg, president of MasterCard, yester-day said Mr McWilliam would become a senior vice-president of the organisation, which operates through partnership agreements around the world. In the UK the MasterCard partner is the Access credit card system; on the Continent it is linked to Eurocard.

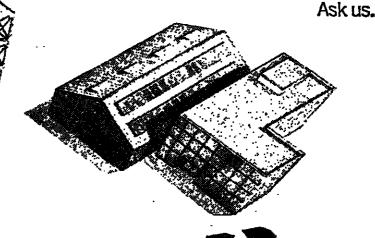
Mr McWilliam will be MasterCard's global strategic planning representative in Europe, the Middle East, the Far East and Latin America, and will take part in global strategic planning. "He will be the man who co-ordinates strategies with major partners around the world," said Mr

The decision to open a Lon-don office was part of a major MasterCard reorganisation stemming from Mr Hogg's decision in 1980 to replace a number of top-level MasterCard executives. The international position had been left vacant for 18 months.

Mr Hogg said he was not emplating the structure of either Visa or American Express, both competitors with London bases.

CIBC is well established in

Britain. We've helped business expand at home and develop overseas. We're successful here. Canadian Imperial Bank of Commerce is successful at raising loans quickly, responding imaginatively to new ideas, and working closely with clients for their success. We are providing loans of £1 million upwards to businesses operating in home markets, overseas markets, multi-national markets, anywhere in the world. As the seventh largest bank in North America, with assets exceeding C\$ 65 billion, established in 25 countries on 5 continents, our financial force extends far beyond Canada. We can help extend your business into new areas, new markets, new opportunities.



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European Operations Office: 55 Bishopsgate, London EC2N 3NN. Tel: 01-628 9858. Also in Amsterdam, Birmingham, Frankfurt, Milan, Paris, Zurich and Bahrain, Hong Kong, Singapore, Tokyo, Sydney, Chicago, Dallas, Los Angeles, New York, Pittsburgh, San Francisco, Buenos Alres, Mexico City and São Paulo.

Falklands defence 'will be Secondhand Public sector to retain access responsibility of Britain'

Mrs Thatcher: noisy clashes

over letter on deterrence

why we shall have to consider

the long-term defence of the islands," she explained. "There

is not the slightest shadow of

doubt that in the immediate

and intermediate future that will have to be carried out by

She assured her back ben-

chers that she had made class

Minister, Mr James Callaghan

drew massive shouts of support

Conservative back benches

had asked her about the possi-bility of an invasion of the Falk-

" Don't you consider you make

THE NEED for a fully indepen. Social Democratic parliament our own people whenever and

wanted to beat ploughshares into armaments. This brought

angry protests from Conserva-tive back-benchers but Dr Owen

urged them to read the speech.

He asked what positive steps

the Government could claim to

have taken on the comprehen-

sive Test Ban Treaty and the

mutually-balanced force reduc-

Mrs Thatcher reminded him

In her statement, the Prime

Minister welcomed President

Reagan's proposals for substan-

tial cuts in strategic nuclear

range weapons. She had also

called for a balanced reduc-

the disarmament session of the the need for stringent verifica- on the export of British equip-

ments," she went on, "We have

tion in conventional weapons.

tion talks in Vienna.

not achieved very much.

from his colleagues when he

tiated by those people.

lands by Argentina.

COTHERE IS no chance of estab lishing a multinational force within the next few months to safeguard the security of the Falklands, Mrs Thatcher said in the Commons yesterday.

Britain would have to undertake the defence of the islands herself, for some time ahead she told MPs when she reported hack on her speech to the dis-armament session a the United Nations and her meeting with President Reagan.

After her statement, and throughout Question Time, she was in noisy clashes with Mr Michael Foot, the Labour leader, over the letter which she wrote two months before the Argentine invasion saving that the 42 marines stationed near Port Stanley were a "sufficient deterrent against aggression."

Mrs Thatcher promised that in the inquiry she has promised .. on the Falklands and emphasised that It will also deal with the record of the Labour Government on this matter, am willing and anxious to have nefore the inquiry." declared. every single bit of evidence

--- "I don't wish to hide anything-I wish everything to be out, every single thing, under this Government and previous with people of British stock. The Government."

The Prime Minister said she had not talked very much with President Reagan about the possibility of a multi-national force for the Falklands. "I don't think reminded her that in February there is any possibilty of getting one, at any rate for some month," she added. "It is too early, really, to consider it."

She agreed that the Argentines should not be allowed a share in the sovereignty of the islands and that such a possibillty had deterred investment

Thatcher yesterday when she

reported to the Commons on

The history of Lebanon showed how difficult that was

to obtain but, she said, Britain

and other countries had to con-

Mr Michael Foot, the Labour

leader, described the situation

in Lebanon as "extremely

critical" and wanted to know

Mrs Thatcher said the U.S.

was the only country that could

"I tried to get across to them

bring substantial influence to

that if there is to be a proper

solution to this problem there

solution to the future of the

Her report on her speech to

scepticism from the Opposition

must also be at the same time

Palestinian people." she said.

of the Lebanese state.

bear on Israel.

tinue to try and achieve it.

her American trip.

BY OUR PARLIAMENTARY CORRESPONDENT

dent Lebanon under the control ary leader and former Foreign

of a strong government of its Secretary, said that udging by

what steps the Prime Minister that the Vienna talks had been

had agreed with President going on for nine years but

UN met with considerable tion of arms control agree-

benches. Dr David Owen, the a right and a duty to defend

was emphasised by Mrs the tone of her speech, she

what took place then rests upon

The Prime Minister replied that many threats had been made from the Argentine over the years and the latest threat in the spring had to be judged against that background. She reminded Mr Foot that the Argentines who took over southern Thule during his period of office had now been removed. This brought cheers from the Conservatives but one Labour MP shouted derisively: 'Fiddling again?"

Mr Foot intervened to say that the Prime Minister did not seem to understand her responsibility in the matter. He asked for her comments on the letter she had written in February to Mrs Madge Nichols telling her that the number of marines on the islands was sufficient.

Mr Foot, also wanted the Prime Minister's views on the warnings of the possibility of an invasion which had been given by the captain of the survey ship, Endurance.

Can you tell us why you neglected those signs?" he Sharply Mrs Thatcher replied

time and again to the U.S. Government and others that there that judging by what Mr Foot was no question of sovereignty and his colleagues had said about the Falklands conflict, the being negotiated. The islands were British sovereign territory Labour Government would never have fired a shot in defence of the islands. sovereignty could not be nego-She pointed out that the talks . The former Labour Prime

which had taken place with the Argentines in New York before the invasion had been cordial. Argentines had landed on Thule during the last Labour Government's period of office but that Government had done nothing about it.

Returning to the attack Mr a gross error of judgment in Foot said that the Prime Minisfailing to take preventive action ter seemed to have a very in time," he demanded. "What- jaundiced view of history, but ever form the inquiry may take no doubt the facts would come

wherever their liberty is challenged."

question of American interest

rates with the President and

others as the matter was

causing concern here and in the

U.S. She had pointed out to him

that a steady expansion of

Mr Frank Hooley (Lab., Heeley) protested that while

American farmers were supply-

ing grain to the Soviet Union,

the U.S. Administration was try-

ing to put British employees

out of work by trying to prevent

the John Brown engineering

company from supplying equip-

line. He asked if she had raised

out the contrast with wheat

exports from the U.S. to Russia. She had also stressed that if

ment, people would not place

orders with U.S. companies in

Mrs Thatcher assured him

ment for the Siberian gas pine

this with the President.

weapons and for eliminating a that she had spoken "very whole class of intermediate strongly" about the John range weapons. She had also Brown case and had pointed

"Throughout, I emphasised there were sudden prohibitions

world trade was needed.

She said she had raised the

Independence sought for Lebanon

Berwick and East Lothian); was taken to hospital at Monklands, near Glasgow, yesterday, com-plaining of abdominal pains. He became ill while staying at the Glasgow home of Mr Norman Hogg (Lab East Dunbartonshire) where he was staying while helping with canvassing for the Coatbridge and Airdrie

about £290,000 in extra policing, Mr Patrick Mayhew, Home Office Minister reported, "The Roman Catholic Church will be charged for the policing of events which he added at Question Time.

MR GWYNORO JONES.

former Labour MP, is to fight the forthcoming Gower by-election on behalf of the Social Democratic Party, Robert Reeves reports: Mr Jones, 39, joined the SDP last year after failing to win the Labour nomination for the same constituency.

provision of technical advice."

to half North Sea oil output

BY PETER RIDDELL, POLITICAL EDITOR

THE ENERGY Secretary, Mr troi over the majority of oil cination agreement between Nigel Lawson, confirmed yester—supplies and represented the BNOC and Britoli he made the division of spoils.

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The ENERGY Secretary, Mr troi over the majority of oil cination agreement between BNOC and Britoli he made the division of spoils.

The ENERGY Secretary, Mr troi over the majority of oil cination agreement between BNOC and Britoli he made the division of spoils. Nigel Lawson, confirmed yester-day that the Government would PLANS TO tighten the tax laws covering so-called secondhand bonds, were announced by the seek to ensure that the public sector retained access to half the oil produced from each licence in the North Sea. He made this comment dur-

ing Commons consideration of Lords amendments to the Oil and Gas (Enterprise) Bill, in particular on a discussion of the relationship between the British National Oil Corporaof existing tax provisions to the profits of certain life policies and life annuity contion and Britoil, the new oil development company which is to be floated off from BNOC.

Mr. Lawson was pressed by Mr Ted Rowlands, a Labour energy spokesman to give details of the participation agreement between BNOC and Britril. He said that this agreement was the means by which the

on any ultimate profits on the investment." Mr Ridley said the Government would introduce legis-lation in next year's Finance Bill amending sections 394 (4) and 396 (2) of the Taxes Act with effect from midnight on June 25, 1982.

An assignment thereafter will no longer remove any subsequent profit arising from the charge to income tax." Mr Ridlev

Ulster Bill progress

bonds

loophole to

Mr Nicholas Ridley, Financial

Secretary to the Treasury, told

the Commons in a written reply

that advantage was being taken

avoid income tax payments on

He said there had been a

serious and, in recent weeks, growing exploitation of the law

by means of the device known

which individuals have been

purchasing policies and con-

tracts from intermediaries

thereby avoiding income tax

secondhand bonds under

be closed

Government yesterday.

tracts.

The Northern Ireland Bill which will give the province its own elected assembly and "rolling devolution" completed its Committee Stage in the Com-

mons early yesterday.
It was fought to the last division bell by the rebel group of Tory and Ulster Unionist MPs who have delayed its passage and forced the Government to introduce a guillotine on debate after three all-night sittings. The rebels forced a vote on

most amendments and each guillotine motion limiting the debate to ensure the Bill's passage through Parliament. Mr Nick Budgen (Con Wolver-

hampton South West) com-plained: "We have been brutally and effectively crushed by the use of the guillotine."

MP taken ill

Mr John Home Robertson (Lab

Papal policing

The Pope's stay in London cost

SDP's Gower choice

Mr Jones was Labour MP for Carmarthen between 1970 and October 1974

be no loss of control over any barrel of oil. He asked a series of questions about the different

aspects relating to the first to fourth round of licences, the fifth round and the sixth round. in round and the sixth round, more than 51 per cent depend-in reply Mr Lawson empha-ing on the detalled arrange-sized the distinction between ments. the existing participation rights of BNOC with third parties and new ones with Britoil. He dis-cussed the scheme which would lead to the splitting off of Britoil at the beginning of August. He said that equity interests would go to Britoil No final details had been worked out but he worked out but he

In respect of the new parti- to that level.

not have more than 51 per cent of such rights on the first four rounds. On the fifth and sixth rounds BNOC might have

that the existing arrangements implied that BNOC would have the right to only 25 per cent of the oil but that the scheme would provide for it to have terests more akin to partici-pation and the right to call for the right to exercise certain

ing banks were among the most

Labour would support the

imposition of further taxation

But it was ironic and unfortun-

ate that the Co-op Bank and other small banks had been

hardest hit by the special tax on windfall profits, introduced

Mr Straw's attempts to intro-

duce a new clause designed to

reduce the burdens which the

tax had imposed on the smaller banks was rejected by five

last year.

Tory doubts on taxing banks

DIFFICULTIES encountered by enthusiasm among a number of the Government in framing senior Tory back benchers for acceptable new methods of in-creasing the amount of tax paid by the banks were acknowledged y Mr Jock Bruce-Gardyne, conomic Secretary to the Treasury, last night.

He stressed that leasing—a device increasingly used by the banks to reduce their tax liability-directly benefited many sectors of industry and commerce and reduced the cost of borrowing money for invest-

Mr Bruce-Gardyne told the Commons standing committee considering the Finance Bill: It is something we have got to take very carefully into account in all our considerations of these matters." He refused to estimate when

current consultations intended to achieve a bigger contribution to the exchequer from the banks an intention announced by the Chancellor in his Budget speech —were likely to be concluded. The Economic Secretary re-

called that the Chancellor spoke of giving "much further thought" to the matter in the coming year and added that the year in question was still young and that there was still "plenty of room for further thought." Sir William Clark (Con, Croydon South), chairman of the Tory back bench finance commiftee, underlined the lack of

Bigger role for accountants

THE ROLE of accountants in the Civil Service is to be boosted, the Government announced yesterday.

From July 1 a new accountancy spelialism within the administration group is to be present prointroduced and accountants in professional accountants - will join colleagues aiready in the administration group to form a high degree of accountancy

The changes were announced by Mr Barney Hayhoe, Civil Service Minister. He told MPs that the improvements would remove the artificial barriers which have largely confined the al accountant to the

expertise and experience.

action of the clearing banks over the last year in conducting any further tax on the banks.

He declared himself "diametrically opposed" to such a tax, and argued that its effect would be to penalise success. leasing operations had offended the spirit if not the letter of Mr Jack Straw, a Labour spokesman on Treasury affairs, said the big four British clear-

Sir William suggested that Mr Bruce-Gardyne, had he still ing banks were among the most been on the back beaches and profitable banks in the world. taken ministerial office, would have been "firmly with me in resisting any such sugges-

Mr Tim Eggar (Con Enfield North) who at an earlier stage told the committee that he was employed part-time by a bank which was occasionally involved in leasing operations, contended that the Government would be fully justified in imthe banks. He risimed that the votes (13-8).

Conscience plea for nurses

same right to object to participating in electro-convulsive therapy as with abortion. He urged the addition of a new clause to the Mental Health

A former Health Minister has Mr Geoffrey Finsberg. Health suggested that nurses should be Under-Secretary, told MPs on allowed to make a conscientious the Commons Standing Commitobjection to helping with the tee on the Bill that the Governtreatment of patients by ment supported the Royal Col-electric shock. Mr David lege of Nurses, which totally Ennals (Lab, Norwich North) opposed such a conscience suggested they should have the clause because it would mean nurses were not properly trained. "Abortion is completely different." he said. "Death is not involved in ECT."

Mr Ennals move was defeated by eight votes to six.

Next week in parliament

Monday: Debate on immigration regulations; Town and Country (Vauxhall Special Development Order) Iuesday: Northern Ireland Bill, remaining stages.

Wednesday: Local Government ments: Northern Ireland (Emergency Provisions Act 1978, Continuance Grder): Northern Treland Act 1974 (Interim part of an expanded service. Period Extension Order).
That will also include staff with Thursday: Defence Estimates

> Friday: Local Government (Miscellaneous Provisions Bill) Lords Amendments.

Monday: Criminal Justice Bill, Committee Stage. Tuesday: Food Amendment Bill, Third Read- plete).

ing: Merchant Shipping Liner Conferences Bill. Second Reading: Civil Jurisdiction and Judgments Bill, Commons Amendments: Relief from Forfeiture Bill, Committee stage. Wednesday: Taking of Hostages Bill. Commons Amendments: Stock Transfer Bill, Committee stage: Supply of Goods and Services Bill, Third Reading, Debates on agricultural trade policy and revision of the Regional Development Fund: Short debate on Social Science

Research Council reports. Thursday: Aviation Security Bill, Industrial Development Bill Insurance Companies Bill. Third Readings: Criminal Justice Bill. Committee stage; Cinematograph Amendment Bill. Report stage.

Friday: Criminal Justice Bill, Committee stage (if not com-

Militant brush-off for a reporter

of Militant Tendency is a shabby off-white house in Lower Breck Road, Tuebrook. Outside, at 9.25 am yesterday. Militant's four prospective Labour Party partiamentary candidates for Liverpool constitueraties, were nosing for stituencies were posing for the cameras in the grey

morning light
morning light
the of them, Mr Tony
Mulhearn, president of Liverpool's Labour Party and prospective candidate for Toxteth. winked in recognition as I mounted the steps to the front door at attend Militant's Press conference. A young red-headed supporter barred my way, Had I got my National Union of Journalists' membership card he asked politely. Producing the written invitation to the Press conference which had been posted to my home and which had come in an envelope bearing on the flap

the words National Union of Public Employees, I replied that this was my authority to The young man shook his head. The invitation was invelevant if I could not produce a current NUJ care. I told him

I was a member of the Fleet Street branch of the Institute of Journalists. "You can't come in," he said. Mr Terry Harrision, prospective Labour candidate for Liverpool Edge Hill was summoned

from the photographic session. The doorman told him: "This chap's representing the FT

Ian Hamilton Fazey, a freelance journalist. describes an encounter in Liverpool with the Labour Party's controversial Militant Tend-

but he's in the IOJ." Mr Harrison's face hardened. "We have an attitude," he declared. "We only recognise the NUJ." I protested: This was not Labour Party policy, as far as I knew. Mr Harrision ducked the onestion. He was in the NUJ as a writer on Militant and would have no truck with me because the IOI was not affiliated to the TUC. I pointed out that Mr Mulhearn's union, the National Graphical Association, was not in the TUC for some years during the 1970s. but its members had never been prevented from working because of it. He brsuhed this aside. The IOJ

was a "scab" union and I could not attend the Press conference. The other parliamentary candidates were now queuing on the steps. Mr Harrision led them inside, brooking no further argument. The Press conference—held in Militant's greatest stronghold —was called to launch a campaign against the decision national executive committee to accept the report by senior party officials on the Militant Tendency. The report recommended the party draw up a list of approved groups con-cluded that Militant could not satisfy criteria for approval and gave the organisation three months to put its house in order.

Elinor Goodman examines Opposition proposals that will form the basis of its manifesto at the next general election

Labour Party will offer voters total reversal of present economic policies

LABOUR yesterday published in the balance of power and its plan for economic revival as wealth in favour or working second part of the 130.000- people and their families." word compendium of policies adn aspirations from which the next General Election manifesto will be drawn. Many of the specific proposals contained in it may not make it into the final manifesto, but the broad thrust

of the economic and industrial strategy is likely to be the same. ... This means that Labour will he fighting the next election on the basis of a total reversal of the present Government's economic policies, including the abandorment of monetary fargets; the reintroduction of exchange controls; and price controls; withdrawal from the EEC: the introduction of imnort controls : a major increase in public spending and Government intervention in industry and the renafionalisation of assets sold off by the present

"Government. Underpinning it all, as at present envisaged, will be what is called a "national economic assessment," but no formal incomes policy. The document published yesterday restates Labour's opposition to "any

nolicies of wage restraint."

Instead — in the passage which those Shadow Ministers in favour of some form of in-comes policies will try to build upon between now and the election — it talks vaguely about mic assessment to consider such income going to earnings from employment."

The document begins by restating Labour's commitment to a "socialist community based on Its priority, it says, must be to bring about a "fundamental and irreversible shift activities.

Labour, it states, stands for the social control of the economy," full employment, and the "effective use of the nation's resources."

Dealing with the question of common ownership, which has long been fundamental to the Labour Party, it says: "We believe it is wrong that private individuals should, through ownership of the means of procollective effort of others and exercise unaccountable power over the lives of ordinary people." An extension of An extension of common ownership is, it states. essential in order to underpin Labour's plan for growth.

The document sets out Labour's plan for jobs, aimed at reducing unemployment to below 1m within five years of taking office. This, it says, will be achieved by Action to stimulate demand

geared mainly increased public spending rather than reduced taxation. An increase in public sector

The document says Labour will have nothing to do with monetarism, though it acknow-ledges that tax and spending policies have monetary impli-It also says that a Labour

Government must be concerned about the rate of growth of credit and its allocation between different activities. For this reason, it says, Labour will take powers to review and control bank lending to ensure that credit is available for industrial development does not flow into speculative

Labour's interest rate policy would be geared towards "stimulating productive invest-ment while bearing in mind the impact that interest rates in conjunction with anticipated inflation rate, can have on the exchange rate."

be a differential interest rate structure. Turning to trade policies, it says that Labour will "set import penetration cailings on an industry-by-industry basis across a broad range of sectors." The aim would be to

6 Priority must be to bring about a fundamental and irreversable shift in the balance of power and wealth in favour of working people and their families ?

overall outstripping the growth in exports and to cut import penetration in certain sectors. The object of trade policy, it said, "is not cut the overall level of imports but to ensure a controlled growth of trade." One way of improving the competitiveness of British industry would; it says, be to adjust the value of the pound. Tory monetary policies have meant, it claims, that the pound has been seriously overvalued. If this over-valuation continues, a Labour Government will act to eliminate it." Nevertheless, it stresses. Labour would have to be careful to prevent the pound falling too far.

Central to Labour's concept of national economic planning for the broader distribution of

tional capital movements. For this reason, the document says, Labour would reintroduce "as a matter of urgency" exchange controls on the outflow of UK It also says that Labour would

One approach, it says, could seek: Changes in the role and struc-ture of the International Monetary Fund. Development of new multi-national institutions to provide for the recycling of oil funds.

Ensuring that the IMF has

far more resources than at The document acknowledges that the policies the main political parties have offered for dealing with inflation have played a central role at the past four General Elections, Labour says, totally rejects the use of higher unemployment as a weapon against inflation, and believes that the control of inflation "must be placed firmly in the context of an economic

strategy to restore and main-tain full employment."

Labour's plan involves "co-ordinated action" on several fronts: Expansion of the economy to bring unused capacity into pro-duction. Direct measures of price restraint, including a compethensive system of prices control. The restraint of public sector charges. · Withdrawal from the Euro-

The document acknowledges

that price controls alone are

not enough to maintain price stability. To sustain full em-ployment with low inflation we

must also look at movements

in costs, and their implications

pean Community.

The document then gets to the Labour Party. This assessment would, it says, cover the consumption, public and private investment, public services and the balance of trade.

Such an assessment, to comprehensive, has to embrace such issues as the share of national income going to profits, to earnings from employment. to rents, to social benefits and other incomes."

It would also take a view on the "movement costs and prices which will support and sustain expansion and will be compatible with our economic and social objectives. The document then goes on

to restate Labour's opposition to wage restraint. "Such policies cannot be maintained for any length of time without putting intolerable strains upon industrial relations and threatening to perpetuate all the anolalies and injustices in the price controls, long-term credits. present framework of pay differentials." It notes, however, that a

workers in the public services treated fairly. parability cannot be ignored by trade unions, employers or by. government, it says.

The aim of Labour's economic

Labour Government would itself be a major employer, and that it is "imperative" that

Labour

the idea of a national economic will, it savs, encourage more assessment which has been time off for study, longer holiagreed between the TUC and days, earlier voluntary retirement on adequate pension, and a 35-hour week without loss of "prospects for the growth of living standards.

the economy, involving such. The document also sets out key issues as the use of what it describes as a "coherent resources" between personal strategy for industry " aimed at

what it describes as a "coherent strategy for industry" aimed at "rebuilding the shattered in-dustrial base and reversing the spiral decline" of British in-dustry. Key elements in Labour's socialist industrial strategy would it says, include: economic planning, industrial democracy, an extension of common ownership and the regulation of the financial system. Statutory powers would have

to be introduced to support the new planning system in its dealings with companies. Other features of this new planning system would include a new Department of Economic and Industrial Planning, a strong Cabinet committee for economic planning and an inde-National Planning Council

The new planning department would, it says, be able to use port to "ensure companies participate constructively. Oue of the subjects which has provoked the most controversy during the discussion of Labour's

programme has been the secion dealing with the reacquisttion of assets sold off by the present Government. The final: version of the programme says that while under normal circumstances. Labour would estab. This would involve a new attack. manifesto, They will not, howpolicies would, it says, be to lish terms of compensation on company perks, the end of ever, be guaranteed a place, make sure that jobs are availwhich reflected the true value of tax privileges for public The final battle for what actuable for those who want to work, the asset to be taken into public schools, and a new annual tax ally goes into the manifesto ht sets out a number of ways for ownership, this would not be on personal wealth, which would has still to be fought.

achieving this, including a re- the case when re-nationalising apply to the most wealthy 1 duction in working time. Labour assets disposed of by the present per cent of the population. The Government.

values of the assets reflect past prices. public sector investments and we have made clear to pros- most of the present Governpective buyers of these assets ment's concessions on Capital our intention to restore them to Transfer Tax. public ownership without full. compensation. Accordingly, we a number of long-held Labour believe that in the case of social policies including oppodenationalised assets, share sition to private sector health holders should be repeat pre-care. Instead of a complete ban cisely the amounts which were on the private sector, however, paid for the assets at the time were denationalised. Only in this way can we ensure that

Wage restraint cannot be maintained for any lemeth of without putting intolerable strains on industrial relations threatening to perpetuate ... anomalies and injustice 🤊 🗼

no speculative gains are made at the expense of the nation." () Creation of a national bank operating through post offices by merging the National Girobank and the National Savings (a) A change in the role of the Bank of England to "ensure that it acts as the agent of government in the financial

system and not the voice of the City in government." a plan for 2 "major redistri-bution of income and wealth."

exemption limit would be set In this case, it save, "the at around £150,000 at current

Labour would also reverse

The programme also restates on the private sector, however, it proposes ways of reducing its size. A Labour Government would, it says, take in to the National Health Service those "parts of the profit-making private sector which can be used to meet local health needs and reduce waiting-lists." Tax concessions on private health insurance schemes would also be abolished.

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ing private education is also proposed.
Measures, the document says, ould be introduced to end the various forms of indirect Government assistance to public schools, and there would also be introduced in Labour's second year measures to ensure that in the longer term the schools from charging fees for new admissions.
The entire 130,000-word docu-

A similar approach to curb

ment will be put to this year's that it acts as the agent or ment will be put to this year's government in the financial Labour Party Conference in system and not the voice of the sections. Those sections which city in government."

The programme also sets out majority will then be guaranteed consideration for inclibution of facome and wealth. Soot in the next Labour Party

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DEVINE OF ist iam'r to a programme lar Hamilton la Teelance im Lescribes an em Liverpool we Labour Partise ersial Mintanti

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end executive's role on policies BY BRIAN GROOM, LABOUR STAFF DELEGATES yesterday voted for a move which, if carried through, will be a major defeat for Mr Bill Sirs, the Iron and Steel Trade Confederation's right-wing general secretary. The ISTC annual conference

at Douglas, Isle of Man, voted by 91 to 79 for future conferences to become the policymaking body. Those backing the motion claimed this would extend democracy in one of Britain's most centralised But Mr Sirs warned the

change would make the ISTC vulnerable to "the back room meeting boys of the extreme left who will try to destroy this

The 21 elected members of the executive council at present comprise the ISTC's supreme decision making authority. The conference is purely advisory, and the executive must decide in August whether to accept yesterday's decision.

... Mr Sirs will urge rejection, and appears confident that he 67 will succeed. But, some executive members said last night h they could not ignore the and would face a row

rule change would require a ballot of the ISTC's hall. 102,000 members. If the execu-

BY JOHN LLOYD, LABOUR EDITOR

meet this weekend to make a it.

further attempt to reach a com-

between them and now in threatens the smaller groups

foundry, construction and the

annual conference of the Con-

federation of Shipbuilding and

Engineering Unions in Llan-

ponement from yesterday to

The meeting follows the post-

dudno, North Wales, next week.

n white collar section AUEW Tass

will meet on the eve of the

with an imminent cash crisis.

Engineering workers to

seek mergers compromise

THE FOUR autonomous sections of the Amalgamated Union of Engineering Workers are to being politically loaded against

promise on the bitter disputes the sections has also prevented

which prevented a full merger a series of larger mergers,

AUEW.

now turned away

b. The sections - engineering. Society, both of which have



Steel union conference votes to

Bill Sirs: warns of threat from extreme left

from executive councillors, who are elected in individual postal bailots, towards conference delegates, who are chosen at

branch meetings. Mr Sirs appealed to the dele-gates to reject the motion, and have confidence in the execu-'You put them there, don't you put any trust in them -or is there somebody trying at future conferences if they to take over this union from the outside?" There were shouts of "rubbish" from the

Mr Sirs at first said he was tive decided on a ballot, it may opposing the motion, on behalf urge members to reject the of the executive, but executive members stood up to claim they be approved, it will bring a had decided to await the debate.

If approved, it will bring a had decided to await the debate.

Mr Sirs accepted this, but said

The block on merger between

with unions such as the Elec-

trical and Plumbing Trade

Union and the Boileynakers

been actively pursued by the

Unions like the Sheetmetal-

workers and the Patternmakers,

which had also wished to

the executive had ageed he should put his arguments to

The executive could meet quickly to respond to develop-ments, he said. Calling special conferences would be expensive. The motion was "impractical. it cannot work as it stands, it is not needed and this organisation would suffer if you give this conference the right of

making policy.

Disunity would emerge, as the conference split into two camps, he said. He rejected suggestions that the executive had failed to carry out conference decisions, to fight steel closures. It had tried but was defeated either by other steel upions or by an unwillingness to fight by ISTC members.

Proposing the motion, Mrshn Ratcliffe, from Aldwarke Works, denied it was a left-wing inspired move. Conference delegates represented the membership as much as executive coun-

He rejected suggestions that conference euphoria would lead to decisions unacceptable to memers, or that the executive would become redundant. Other organisations combined policymaking conference with an executive, he said:

The conference yesterday rejected motions calling for the election of national officials. publication of the voting of individual executive councillors and ballots before national industrial action.

Escort output to resume at Ford Halewood

NORMAL WORKING is expected to resume today at Ford's Halewood plant on North Merseyside following a two-day stoppage which ha stopped production of 1,500 Escoris at a cost of about

The stoppage covered the two-day suspension period of a man in the paint shop who management claimed was working below standard. His on caused a walk-out by 60 colleagues in the paint

On Wednesday 2,000 men merge with the AUEW, have in the assembly plant were laid ...off. ...And ...yesterday The Sheetmetalworkers are an additional 1,000 men in the October a hearing of an appeal likely to conclude an agreement body plant and the 3.000 men on the body and assembly by the engineering section of a either with Tass alone, or with plant night shift, were also judgment last year which effect he Transport and General tively stops full merger because Workers Union

John Lloyd analyses a 'new era' of open bargaining by miners

Scargill's tactics baffle the Coal Board

A CLAIM made yesterday by This assurance, coupled with Mr Arthur Scargill, president of the National Union of Mineworthem on the breakdown of the kers (NUM), that a new era of by the context in which he said

Several hundred miners, from Kent, Yorkshire and elsewhere. were ranked outside the National Coal Board's offices near Victoria Station from 9 am, holding placards and chanting. Around 10 am a number of about the entrance hall.

Along one of these corridors, in a meeting room, the mincworkers were getting the brushoff from board officials. No, they were told, they could not have a list of colliery closures because no such list was available.
There had been no undertak-

ing to produce one. Besides, the

meeting proper between hoard and NUM executive would not start until the demonstrators left the building.
Mr Scargill went out to the hall and told the miners to leave matter. -they did so, immediately. His authority over his members, certainly over those who attend

assured them of a quick meet-

open negotiations had begun the board's part that the extrawas dramatically underscored ordinary events of yesterday morning were predetermined-that Mr Scargill never intended to talk, Mr Norman Siddall, the board's new chairman, said afterwards that "it does appear to be a stage-managed confron-

However, that is not certain. Around 10 am a number of In the first place. Mr Scargill them invaded the gloomy building, bearing their placards along the corridors and milling minutes, and secondly, he knew that the beard would not distinct the corridors and milling minutes. minutes, and secondly, he knew that the board would not discuss a closure list because he had been told that during a faceto-face meeting on Monday with Mr James Cowan, the deputy chairman with responsibility for industrial relations.

Is there a "bit list?" And did the board say it would produce it yesterday? It says no on both counts, Mr Siddall repeatedly said that there was no list. Since under serious review. This was last February, when the 23- not a list, he said, since they strong list was dropped, the might not all close. Pits could board has abided by its decision move in and out of profit—a to treat closures as a local

Since that time, between 10 and 12 pits have been closed. while the closure of a further demonstrations is complete. He eight has been agreed and others are under discussion. There is no intention, said Mr



Arthur Seargill: displaying authority over mine union

Siddall, of returning to national

level lists. However, he admitted that between 50 and 60 pits were move in and out of profit—a profitable pit could come up for closure because of exhaustion The board had offered the NUM a number of local "lists" of pits under review. But this was refused.

The May 19 meeting between board and executive

executive besides Mr Scargill insisted resterday that a commitment to produce a list was given at that meeting. Mr Scargill referred to the commitment in an exchange of letters with Mr Cowan. Mr Cowan wrote back to take him to task on the Thus the face-to-face meeting,

when it came at 10.15 yesterday, began with a deep fissure run-ning through it. Mr Scargill asked for the list once more. Mr Siddall again disclaimed its existence. The dialogue lasted, by Mr Scargill's reckoning, 31 minutes—a point Mr Siddall does not dispute. They walked out, the NUM president to comment that he didn't even get a cup of coffee—a point Mr Siddall docs dispute.

Unions rarely walk out of negotations. When they do, it is generally because they believe negotiations have been style-to raise the stakes dramatically from the outset-faces the board with the immense problem of how to conduct industrial relations.

The NUM may have entered has not. Mr Siddall asked rue- deliver.

to negotiate with his opposite number if he did not stay to talk. Mr Scargill's response would be that talk on the terms Yet talk there must be, for

the problems now faced by the industry are growing alarmingly. The briefing paper for the meeting sent to the union by the board lays out the stark facts: that energy consumption envisaged in the 1974 Plan for Coal was, at 316 tonnes of coal equivalent in 1981/82, 92mtee below the plan target.

Exports, to a coal market which is flooded with cheap Polish, South African and U.S. coal, are limited and heavily subsidised. Efforts, as the paper says, must bemade to achieve a balance between supply and demand. On the board's side—a falling

market, continuing recession, a suspicious government and wholly exhausted. Mr Scargill's rising costs. On the NUM side -concern over further man-power cuts, a powerful leftwing and confidence in industrial strength.

Mr Scargill has warned frequently of industrial action since becoming president: soon, into a new era, but the board he appears bound to have to

WE,THE

Directors want 'fair wages' rule revoked

BY OUR LABOUR STAFF

yesterday urged the Government plaints are referred to the to set aside the 1946 Fair Wages Resolution and also denounce the fair wages obligations of the International Labour Organisation's Convention 94.

At the end of this month the Department of Employment completes a one-month consultation with interested parties on the future of fair wages legisla-In a submission to the depart-

ment, Mr Walter Goldsmith, the institute's director general, said: The Fair Wages Resolution promotes the inflationary concept of comparability and can ride roughshod over employers' attempts to relate pay to productivity."

The resolution, passed by Parliament in 1946, ensures that employment by engaging in symgovernment contractors do not pay rates of wages less favour- in support of public sector pay able than those established in disputes will be sacked.

THE INSTITUTE of Directors their given industry. Com-Central Arbitration Committee. Mr Goldsmith concedes that only 21 cases were registered with the committee in 1981, but warns that any upturn in trade could lead to a resurgence of

complaints. The Fair Wages Resolution would have to be rescinded by a motion in Parliament. But to escape all fair wages obligations the Government would also have to revoke ILO convention 94.

He warms that if action is not taken this year on Convention 94 another opportunity will not arise until 1992. Mr Goldsmith also urged that

the Government should now warn its employees that those who break the terms of their pathetic strike or picketing

Employment 'jeopardised by strikes'

A LONG summer of industrial unrest would jeopardise any chance of economic recovery in the North, a husiness leader warned yesterday.

Mr James Cran, Northern director of the Confederation of British Industry, appealed to all unions not to become embroiled in current public sector disputes.

"Now we have the health service unions—next week the rail strike. What will come next?" he asked.

Speaking as thousands of Northern health workers moved into their second day of strike. Mr Cran said the private sector had already borne the overwhelming brunt

Overall, Mr Cran said the number of days lost in indusdramatically because the majority of British workers realised that a day lost could mean a job lost. mean a job lost.



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NOTICE IS HEREBY LIVEN to charcholders that following a Resolution passed at the Annual General Meeting of shareholders held on 23rd June. 1982 a Dividend for the year 1981 of DM.7.00 per share of DM.50 nominal will be paid as from 24th June. 1982 against delivery of Coupon No. 59. Holders of the now shares which resulted from the capital increase in June. 1981, and the Capital increase toy way of a Rights Issue) in July. 1981, will be entitled to receive three quarters and one half respectively of this dividend, against presentation of Coupon No. 39 overstamped accordingly.

from whom claim forms may

United Kingdom Income Tax will be deducted at the rate of 15% (15 Pence in the £) unless claims are accompanied by an affidavit.

German Capital Yields Tax deducted in excess of 15° s is recoverable by United Kingdom residents. The Company's United Kingdom Paving Agents will, upon request, octovide the appropriate form for, such recovery.

THE THARSIS

PUBLIC LIMITED COMPANY

PUBLIC LIMITED COMPANY

NOTICE IS HEREBY GIVEN. that a
DIVIDEND for the year ended 31st
DECEMBER 1981 of 2.5p per Share on
the CAPITAL of the COMPANY will be
paid on and after 1st July. 1982 to
SHAREHOLDERS REGISTERED in the
BOOKS of the COMPANY at the Close of
BUSINESS on 17th May. 1962 and to
holders of SHARE WARRANTS to BEARER
as indicated below.
Warrants to Bearer
Holders of Share Sh

Leverkusen 25th June, 1982

BAYER AKTIENGESELLSCHAFT



APPOINTMENTS

Two City Sheriffs elected

Alderman Allan Davis have both been elected Sheriffs of the CITY OF LONDON, the first time since 1893 that two Aldermen have been elected simultaneously to the office. Main reason is to increase the number of those qualified to be a future Lord Mayor. Alderman Traill is chairman of TRAILL ATTEN BOROUGH, insurance brokers at Lloyds and an underwriting member. Alderman Davis is a

appointed from September 1 Mr David Hudd, currently a partner in Price Waterhouse, as assistant managing director with special responsibility for group finance.

NEW CENTURY VENTURES (HOLDINGS) has appointed Mrs

' Mr Frank Kenneth Delves has been appointed a director of GARNAR BOOTH.

... Mr David Drew. chief manager Mr David Drew. chief manager
of NORWICH WINTERTHUR
REINSURANCE CORP. retires
on June 30. Mr Noel Eyers,
general manager of NWRe, has
been appointed a director of that
company and of Stronghold
Insurance Co. NORWICH
WINTERTHUR HOLDINGS has
made the following appointments
from July 1: Mr B. L. Roberts to
be chief overseas manager; Mr
J. H. Hibberd chief accountant;

Mr Leslie Hollis has joined the



Mr Walther Leisler Klep has been appointed a director of ICI from July 1 and will act as a non-executive director. He has, since 1965, been prominent in public affairs in West Germany and he was, until recently, a member of the West German Federal Parliament. He is member. Alderman Davis is a currently managing director of the London a leading West German insurance group, Graemann and Holler, and a director of the

KIERNAN AND CO. (UK) has appointed Mr Christopher S. Bainton as a director.

Mr Mark F. Keegan has resigned as managing director of CARLTON REAL ESTATES (HOLDINGS) has appointed by E. J. Lambeth as managing although remaining a director. The further of New Century Ventures (International) and Mr C. J. Sampson as managing director. Sir David Roche has resigned from the board to devote full time to his financial services.

research and development at the JULES THORN LIGHTING LABORATORIES at Endeld. He succeeds Dr Mike Marsden, who

Mr Leslic Hollis has joined the company as managing director and the other directors are Mr Michael Wilson, Mr John Cobb and Mr Alasdair McGregor, all partners of Sheppards and Chase.

Mr Grant Cochrane has been appointed a non-executive director of SAVE AND PROSPER GROUP. He is managing director of The Edinburgh Investment Trust and a director of Melville Street Investments (Edinburgh), and Macallan Glenlivet, and chairman of Star Offshore Services.

Mr R. M. Sumrie has relin-quished his position as joint managing director, but remains chairman and chief executive of SUMRIE CLOTHES. Mr. Leonard Holmes has been appointed as Hall and Mr R. Snowling Mr. P. joint managing director, and Mr A. A. Monty Weir continues as joint managing director.

HERTZ EUROPE appointed Mr Anthony J. SON TAYLOR IN Duncan as treasurer. NATIONAL ASSOCIATES.

Mr R. H. W. Bullock and Mr G. A. Whittaker have joined the appointed managing director of board of GROSVENOR PLACE VINERS (SHEFFIELD). He has AMALGAMATIONS. Mr Bullock been managing director of was formerly a deputy secretary Butlers of Sheffield since 1957.

Alderman Alain Traili and Mr C. J. Hopper group finance in the Department of Industry Jderman Alian Davis have both manager; Mr R. E. Townsend and Mr Whittaker a director of een elected Sheriffs of the CITY group secretary and Mr T. G. Guinness Peat.

F. LONDON, the first time since Clarke group actuary.

Mr John H. Evans has been appointed to the board of FERROFORT-HOLEC, Birmingham, high and low voltage switchgear manufacturer. He will also include a consultancy on alternative energy schemes for the parent company, Holec, whose operation covers the provision of wind, solar and blomass energy systems. Prior to joining Holec, Mr Evans was assistant chief engineer (technical) with the South Western Electricity Board.

> Mr John Heads, managing director and chief executive of HORIZON EXPLORATION has for personal reasons decided to retire on June 30. He is to be succeeded by Mr John W. Greener, the present commercial director.

> > Mr. Harry Harrison has been co-opted to membership of the Court of the University of Manchester for two years commenc-ing September 1. He is chairman of Simon Engineering.

Mr Robin Aldworth has been The ASSOCIATION OF appointed manager of lighting INSURANCE AND RISK research and development at the JULES THORN LIGHTING AND COMMERCE has appointed as chairman Mr Hugh R Loader, group insurance manager, Tetra Pak; and as deputy chairman and chief executive Mr Terryl E. Sparker, Watel Roy insurance manager, Metal Box.

Mr Nicholas Dawson, currently marketing manager, has been appointed to the board of ELECTROPLAN, a member of the Electrocomponents Group.

*
Following his represent from Redland Mr Graham White has joined PRICE BROTHERS COM-PANY. Dayton, Ohio, a U.S. company specialising in large diameter pressure pipe. Mr White's part-time association with Price Brothers will be based in England.

At GRIEVESON, GRANT AND CO., stockbrokers, Mr T. J. Wyatt and Mr A. C. D. Yarrow have joined the partnership.

Mr R. S. Clarkson has been elected president of the INSTITUTE OF QUANTITY SUR-VEYORS, for the ensuing year.
Other officers elected were:
senior vice-president—Mr J. E.
Revis; vice-presidents—Mr E. J.

Mr David Watkins has been has appointed a director of JACK-ny J. SON TAYLOR INTER-

Mr Ron West has been

COMPANY NOTICES

Jardine Matheson

& Co., Limited
(Incorporated under the Companies Ordinance, Hong Kong)

Scrip Dividend

For the purposes of the 1981 Final Scrip Dividend of Jardine, Matheson & Co., Limited the average last dealt price of the Company's shares on the Hong Kong Stock Exchange Limited for the five trading days up to and including 18th June, 1982 was HK\$17.34. The number of new shares which shareholders will receive will be calculated by multiplying the number of shares, i respect of which they have not elected to receive cash of HK\$0.68 per share, by the following fraction:-

<u>0.68</u> 17.34

Shareholders' entitlements to fractions of a new share will be

aggregated and sold and the net proceeds will be distributed to Thus a holder of 2,000 shares in respect of which he has not elected to receive cash will receive 78 new shares, and a cash

payment representing the net proceeds from the sale of approximately % of one share.

The payment of the final dividend is subject to the approval of shareholders at the Annual General Meeting of the Company convened for 30th June, 1982.

By order of the Board K. W. Young . Company Secretary Hong Kong, 19th June, 1982.

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.

from: 31st July. 1982.

to: 6th August, 1982. Currency conversion date (for payme

.... 3rd September, 1982. The dividend is payable subject to the customary conditions which may be inspected at or obtained from the company's Johannesburg office or from the London Secretaries, Barnato Brothers Limited. 99, Bishopsgate, London EC2M SXE.

JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED

Head Office and Registered-Off Fox and Harrison Streets. JOHANNESBURG 2001. UP.Q. Box 590. 24th June. 1982.

NOTICE TO BONDHOLDERS Massey Ferguson Nederland N.V. 9½% Guaranteed Bonds due 1991

Notice is hereby given that, pursuant to paragraph 5 (a) of the terms and conditions of the bonds U.S.8 4,500,000,— principal amount thereof have been purchased by Swiss Bank Corporation. Zurich, as purchase agent during the year June 1, 1981 to May 31st, 1982.

Massey Ferguson Nederland N.V. by the Chase Manhattan Bank N.A., London, as trustee

IMATRAN YOIMA

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during the six-month period indicate
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june 19, 1981, has been purchased
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june 19, 1981, has been purchased,
during the twelve-month period
from june 20, 1981 to june 19,
1982, an additional principal amount
of UA 1,196,000 of the abovementioned Bonds has been purchased,
Amount operational principal amount
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Amount operationally of the principal control of the control of th

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ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

OF SOUTH AFRICA LIMITED

object. The dividend will be paid without deduction of United Kingdom income tax in the looking committee the looking committee the looking committee to the looking committee the looking committee the looking committee the looking of the looking tion. SEARER SHARES (a) Where coupons are presented for phyment in the large of the second of the large of the second of the large of the second of the se

U.S.\$100,000,000 444% ebentures 1968.1983. com-dinary shares of N.V. Geme-zit van Aandezten Philips'

Registered Office: R. N. Pi 135 West George Street. Glasgow G2 ZHF. 24th June, 1982.

underspinen never activities dur report concerning its activities dur year 1981 is available for de holders at its office. Kelzerspari Amsterdam. A translation into the language can be obtained, into nguage can be obtained, into alla, at e office of: N. M ROTHSCHILD & SONS LIMITED

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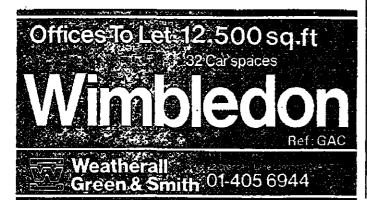
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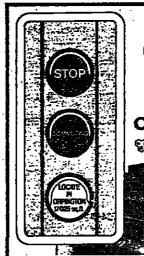
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BBC1

6.40-7.55 am Open University (Ultra High Frequency only). 10.15-11.37 For Schools, Colleges. 12.35 pm Pobol Y Cwm. 1.00 News After Noon, 1.30 Heads and Tails. 1.55 Wimbledon Lawn Tennis Championships: coverage of the fifth day's play, 4.18 Regional News for England (except London). 4.20 Play School. 4.45 Mighty Mouse. 4.50 The Adventure Game with Leslie

5.40 News .

Cids: June 25 180

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RESTRICTION

REET

- 6.90 Regional News Magazines.
- 6.25 Nationwide. 7.00 It Ain't Half Hot Mum:

Comedy series.

7.30 World Cup Grandstand: Spain v Northern Ireland, with News Headlines at half-time. Also highlights from England v Kuwait and West Germany v for a Kingsley Amis short story. It is too late to recommend the Romance Of The Rose, episode nine of ten on Radio 3, but a little courtly epic goes a long way. I hope everyone listens to the dulcet-voiced Margaret Howard's Pick Of The Week. If you miss her at 7.20 on Radio 4 catch her tomorrow morning. Austria.

10.10 News.

10.35 Leap in the Dark (London and South East only). 11.05 News Headlines.

11.10-1.25 am The Late Film: "Husbands" starring Ben Gazzara, Peter Falk and John Cassavetes

All IBA Regions as London except at the following times:— ANGLIA

1.20 pm Anglia News, 8.30 About Anglia, 10.30 Members Only, 11.40 Finday Late Film: The Spati, starting Lee Grant, James Olson and Susan BORDER

1.20 pm Border News. 6.30 Look-round Friday, 10.30 Your MP. 11.40 'eround Fnday, 10.30 Ye Border News Summary, CENTRAL

n Central News. 5.30 Central 10.30 Scap. 11.40 Central CHANNEL

11.55 am Look and See. 1 20 pm brannel Lunchtime News, 6.30 Channel

Report followed by What's On Where. 10.28 Channel Late News. 11.40 Vegas 12.45 am News and Weather in

7.25 News Summary.

6.40-7.55 am Open University.

10.55-1.05 pm Cricket: Second

1.35 Cricket and Wimbledon.

7.30 "Mary, Queen of Scots"

Test: England v India.

10.30 Play School.

Mom any funnier.

GRAMPIAN 9.25 am Frest Thing, 1.20 pm North News, 6.30 North Tonight, 10.30 Points North, 11.40 Streets of Sen Francisco, 12.35 am North Headlines.

GRANADA

11.52 am Wattoo Wattoo. 1.20 pm Granada Reports, 6.30 Granada Reports, 10.30 Bizarre. 1.40 The alta Film: "10 R lington Place." starring Richard Attenburough and John Hurt. HTV 1.20 pm HTV News 6.30 HTV News. 0.28 HTV News. 10.30 So What's our Problem? 11.40 The Monte Carlo

Your Problem? 11.40 the terms. Skow: Patrick Wayne and Teasie 11.52 am The Underwater Adventures Ceptain Nemo. 1.20 TVS News.

LONDON

9.35 am Schools Programmes 11.52 The Bubblies. 12.00 Wincey's Pets. 12.10 pm Once All our yesterdays on ITV tonight in which the cavalierly-billed "Best Of British" series of repeats follows Please Sir!" with Oh Ne. It's Selwyn Froggitt. Not much style here; perhaps more period charm with Rawhide at 11.40—it is not even in colour. BBC situation comedy always seems more refined but that does not make the dwind days seems more refined but Upon A Time. 12.30 Sudden Change. 1.00 News, plus FT Index. 1.20 Thames News. with Robin Houston. 1.30 Emmerdale Farm, 2.00 Best Sellers: "The Last Convertible," Part 3, 3.45 World Cup "82; England v Kuwatt, from the San Mames Stadium, Bibao. Commencary BBC-2 is really the only channel worth bothering about tonight with the film Mary Queen Of Scots, which sets Glenda Jackson as Queen Elizabeth (fresh from her television success in this 1971 production) against Vanessa Redgrave. Unfortunately historical drama has been sacrificed for big name casting. It's My Pleasure which follows it, sounds interesting: Clare Francis talks about Scots and Market Scots. by Martin Tyler with comment from Jack Charlton.

6.15 News. 6.30 The 6 O'Clock Show pre

6.30 The 6 O'Clock Show presented by Michael Aspel, with Janet Street-Porterand Fred Housego.
7.00 World Cup '82 with Brian Moore and Brian Clough.
7.30 Winner Takes All with Jimy Tarbuck.
8.00 Best of British: Please Sir! starring John Alder-ton, Deryck Guyler, Noel Howlest and Joan Sander-

8.30 Best of British: Oh No It's Selwyn Froggitt star-ring Bill Maynard. 9.00 On the Line.

10.00 News. 10.30 Benson starring Robert Guillaume. 11.00 World Cup '82 with Brian Moore and Jimmy Greaves 111.40 Rawhide starring Clint

grave and Glenda Jackson. 9.30 It's My Pleasure. 10.10 Wimbledon: Match of the am Close: Sit Up and Listen with Lord Beloff. † Indicates programme in black and white. 11.35 Cricket: Test highlights. 12.00-1.20 am Open University.

Eastwood.

HTV Cymru/Wales—As HTV West except: 9.50-10.05 am Mwy Neu Lai. 12.00-12.10 pm Beth Am Stori? 6.30 Y Dydd. 6.45-7.00 Report Welss. 10.30-11.00 Welcome Back, Kotter. 9.25 am The Good Word. 9.30 North East News. 1.20 pm North East News and Lookeround. 6.30 Northern Lite. 10.30 North East News. 10.32 Bizerre 11.40 Quincy. 12.35 am Poet's Comer. SCOTTISH 1.20 pm Scomish News. 8.30 Scot-land Today. 10.35 Ways and Means, 11.45 Late Call. 11.50 Durkroom.

ULSTER

YORKSHIRE

12.27 pen Gus Honeybun's Magic Birthdays. 1.20 TSW News Headlines. 6.30 Today South West. 10.32 TSW Lats News. 10.34 House Calks. 11.40 Vegss. 12.35 am Postscript, 12.40 South West Wasther and Shipping 1 UND 11 KE
11.55 am The Underses Adventures
of Captain Nemo. 1.20 pm Catendas
News. 6.30 Calendar (Emlay Moor and
Balmont editions). 10.30 Benson. 11.40
Mannix.

TYNE TEES

pm Lunchtime. 3.43 Ulste: 6.30 Good Evening Ulater. 10.25 Weather. 10.30 Witness. 10.35

FT COMMERCIAL LAW REPORTS

Clarity necessary in arbitrators' reasoning

EUROPEAN GRAIN AND SHIPPING LTD v CREMER

Queen's Bench Division (Commercial Court): Mr Justice Bingham: June 22 1982

filled with 40 per cent of the quantity only. They reserved their rights with reference to clause 21 of GAFTA 100, which WHERE AN arbitration award contains a clear and mbiguous finding as to liability, the court may neverprovided that "in case of probi-bition of export," any unfulfilled theless remit it to the arbitrators for clarification if the basis of the decision is part of the contract should be cancelled. The buyer did not challenge the invocation of clause 21. The sellers also stated that they would ness on to the impossible to find.
Mr Justice Bingham so held

when remitting to the Board of Appeal of the Grain and Feed Trade Association Ltd (GAFTA) its award on a claim by a firm. Peter Cremer, the buyer of soya-bean meal, against the sellers, European Grain and Shipping

HIS LORDSHIP said that on April 19 1973 the sellers agreed to sell 1,000 metric tons of soyabean meal to the buyer. Ship-ment was to be made between May and September 1973 in may and september 1973 an monthly consignments of about 200 metric tons. The contract in-corporated GAFTA Form 100. On June 18 the sellers bought

soyabean meal of the same con-tract description from pre-sellers, for shipment at the rate of 200 metric tons per month from June to September. Thus, from June onwards, the sellers had effected a single sule, and had contracted to buy the goods to meet that sale from a single source.

Before any appropriation or tender had been made in respect of the June shipment, the U.S. Government, on June 27, temporanily prohibited exports of soyameal, save that which was already on lighter for export, or for which loading had already begun. Future exports would need a licence.

A licensing system was intro-duced on July 2, which provided that licences could be granted for 40 per cent of the unfulfilled balance of each contract. The system remained in force till the end of September.

On July 10, the sellers in The arbitrators agreed that formed the buyer that under the the sellers were in default and system contracts would be ful- awarded damages against them.

The GAFTA Board of Appead was of the same opinion. The question in the present appeal was whether the sellers were so His Lordship was not sure that

he correctly understood the basis on which the Board had decided the matter. Three possible grounds of decision might be discerned in its award: (1) The. that they would pass on to the buyer, in the string, only the tenders which they would receive from their pre-sellers.

On July 20 the sellers informed the buyer that they had appropriated greats tendered by buyer did not, by accepting the 40 per cent give up his right to receive the remaining 60 per cent, and the sellers were in default. The Board held that the appropriated goods tendered by the pre-sellers, shipped on the Kyravathia, in "total fulfilment date for assessing damages was the first day following 10 days after the shipment period, July

of the June and July portions (40 per cent)." The buyer did not reply. Only approximately 40 per cent of the correct quantity was shipped for the June instaling on clause 21, was that ship-ment of the June balance was ment of the June balance was prevented by the embargo. As Lord Justice Kerr put it in Tradax v Cook [1982] I Lloyd's Rep 385,389, "an essential prerequisite to the seller's ability to rely on [clause 21] was to show that shipment...had been ment. The buyer raised no objection, but took up, and paid for, the relevant documents.
On July 30 the pre-sellers tendered to the sellers two further parcels of goods shipped prevented by the embargo . . . for that purpose it was essential for sellers in a string to identify the shipper whose shipment had ment of the sellers' contract with the buyer in respect of June. Without reference to the buyer, been delayed (the shipper')." the sellers rejected those appro-priations. The reason they gave

But the sellers' defence, rely-

How then was one to treat the Board's opinion that it was immaterial whether or not the "relevant shipper" could be identified, or its finding that the Having received no further appropriation in respect of the June instalment, the buyer, on "relevant shipper" was in fact prevented from fulfilling its con-

September 28, held the sellers in default and appointed an arbi-trator. His complaint was that (2) In breach of the July 10 contract to pass on tenders re-60 per cent of the June shipment was still due. The seilers received from the pre-sellers, the sellers failed to pass on the jected the suggestion that they were in default because, they said, the buyer accepted 40 per tenders of July 30. On that basis, the expected

date for assessing damages would not be July 11 but July 19, which was the first day following 10 days after the latest date for shipment.

(3) The buyer accepted the 40

per cent in total fulfilment of the sellers' June shipment obligation, only because of the sellers' innocent misrepresenta-tion that the effect of the embargo was that the contract was to be fulfilled with 40 per

cent only.

It would still be necessary. however, to consider the sellers defence under clause 21. That led straight back to the significance and identification of the relevant shipper.

It might be that the Board decided the case on none of those grounds, or on a combination of grounds. The court should not go behind the Board's finding (unless it were shown to be a finding not open to it).

It was nevertheless important to be clear what the finding was

that the court should not go behind. There was doubt, and it would be wrong to guess.

Mr Havelock-Allan, for the sellers, strongly resisted a remission of the case to the Board. He said the award contained a

clear and unambiguous finding which was binding on the court, and however erroneous Board's process of reasoning and conclusions might have been, in the light of that finding it would be inappropriate to send the matter back.

The parties were entitled to as just an answer as the court could give. On existing materials the case was impossible to resolve. It was right to order re-mission of the case so that the Board might elucidate the basis of its decision, and in particular, the true meaning and scope of its finding with regard to the relevant shipper.

For the sellers: Mark Havelock-Allan (Middleton, Potts and Co.). For the buyer: Timothy Young (Richards, Butler and Co.).

By Rachel Davies

(S) Stereo broade (when broadcast on

RADIO 1

5.00 em As Radig 2, 7.00 Mike Read.
9.00 Simon Bates, 11,30 Dave Lee
Travis, 2,00 pm Steve Wright, 5.30
Newsbeat, 5.45 Roundtable, 7.00
Andy Peebles, 10,00-12,00 The Finday
Rock Show (S),
VHF Radios 1 and 2-5.00 em V/Rh WHF Radios 1 and 2—5.00 am With Radio 2. 2.00 pm Don Durbridge (S). 5.45 News, 5.00 Cohin Berry (S). 5.45 News, Sport. 6.00 John Dunn (S) (also on Radio 2 Medium Wave between 7.00-7.45 pm). 8.00 Take Your Partners (S). 8.45 Friday Night is Music Night (S). 10.00 With Radio 1. 12.00-5.00 am With Radio 2

RADIO 2 String Quartet (57, 12.00 BBC Weish

String Quartet (57, 12.00 BBC Weish

Symphony Orchestra concert, part 1

Moore (5), 10.00 Jimmy Young (5), (5), 1.00 pm News, 1.05 Concert,

12.00 Gloria Hunniford (5), 2.00 part 2 (5), 1.35 Hans Pirtzner (5), 6.00 am News Briefing, 6.10 Farm
Mimbledon/World Cup Special, 7.00 part 2 (5), 1.35 Hans Pirtzner (5), 6.30 Today, 8.33 Yesterday in Parlia
Month (5), 7.45 World Cup

Special: Northern Ireland v Spein from the Luis Casanova Studium, 10.00 Roy

Music for Guitar (5), 7.00 The to Siberia? 10.00 News, 10.02 Inter-

RADIO

TELEVISION

Tonight's Choice

that does not make the dusted-down repeat of It Ain't Half Hot

talks about Somerset Maugham, an unlikely combination which

There is good solid fare on tonight's radio. There should be a verbal punch-up on Any Questions? which includes Neil Kinnock and Peregrine Worsthorne, and if you are irritated with the party lines being propounded you can switch over to Radio 3

for a Kingsley Amis short story. It is too late to recommend

BBC 2

starring Venessa Red-

TSW

TVS

Day. 10.55 Newsnight.

Castle. 10.30 Alistair Cooke: A perconst view of popular music. 11.00
Brian Matthew with Round Midnight (stereo from midnight). 1.00 am Night Owis (5). 2.00 Star Wars (5). 2.27-5.00 You and the Night and the Music

RADIO 3 RADIO 3
6.55 am Weather 7.00 News. 7.05
Morning Concert (\$). 8.00 News.
8.05 Morning Concert (continued).
9.00 News. 9.05 This Week's Composer: Purcell (\$). 10.00 Emanuel Axpano recital (\$). 10.00 Emanuel Axpano recital (\$7. 12.00 BBC Welsh Symphony Orchestre concert. part 1 (\$). 1.00 pm News. 1.05 Concert. part 2 (\$). 1.25 Hans Pinzner (\$).
2.45 Bedin Philharmonic Orchestre (\$).
4.00 Choral Evensong (\$). 4.55 News.

Romance of the Ross—an abridged translation (S). 7.30 Stravinsky concert, pert 1 (S). 8.15 Words. 8.20 Stravinsky, pert 2 (S). 8.55 Court of Inquiry (short story by Kingslay Amis). 9.15 Orlord Quartet, pert 1 (S). 10.00 The Russian Maccenas by Brian Gear. 10.10 Orlord Quertet, pert 2 (S). 10.45 Music for a Summer's Night performad by the BBC Northern Singers. 11.15-11.18 News.

Medium Wave—As VHF except: 10.55 am-6.30 pm Cricket: Second Test—England v India.

RADIO 4

Service, 10.45 Morning Story, 11.00 News, 11.03 The Countryside in Midsummer. 11.48 Bird of the Week. 12.00
News. 12.02 pm You and Yours. 12.27
My Music (5). 12.56 Wasther; travel;
programme news. 1.00 The World et
One. 1.40 The Archers. 1.56 Shipping
Forecast. 2.00 News. 2.02 Woman's
Hour from Glasgow. 3.00 News. 3.02
Afternoon Theatre (5). 4.00 News.
4.02 The Piece for Me. 4.10 Another
Way. 4.40 Story Time. 5.00 PM: News
Magazine. 5.50 Shipping Forecast.
5.55 Weather; programme news. 6.00
News, including Financial Report. 6.30
Going Places. 7.00 News. 7.05 The
Archers. 7.20 Pick of the Week (5).
8.10 Profile. 8.30 Any Questions? 9.15
Letter from America by Alistair Cooke.
9.30 Kaleldoscope. 9.59 Weether, 10.00
The World Tonight. 10.35 Week Ending (5). 11.00 A Book at Bedtime.
11.15 The Financial World Tonight.
11.30 Today in Patiament. 11.45 Glyn
Warsnip with recordings from the BBC
Sound Archives. 12.00 News. summer. 11.48 Bird of the Week, 12.00

RACING BY DOMINIC WIGAN

FEW TRAINERS can have been in the enviable position in which John Dunlop finds himself today as he looks forward to the outcome of events at Doncaster and Lingfield. The Arundel trainer has no less than five runners — Man of She's Incredible, Spirit. Aragon, Ariadne and Rutlandchasing either doubles trebles during the afternoon. Man of Spirit, She's In-

ing three races, while Ariadne and Rutland bid to add to pre-vious success at Lingfield. Although She's Incredible, among the runners for the

on board the Kyravathia. They were sufficient for total fulfil-

the pre-sellers was that 40 per

cent had already been appro-priated in accordance with U.S.

cent in complete fulfilment of

the contract.

Government regulations

Guaranteed Sweep Stocki1 only managed home from the scramble bitterly disappointing Quest at Epsom three weeks ago, the Le Fabuleux filly could be the pick of Dunlop's quintet. She's Incredible would have

won comfortably at the Derby meeting but for being trapped on the rails until inside the distance.

Sure to be well-suited by the

one astute judge, can complete the double by out-classing Go Sandichiffe.

Aragon, who bids to retain

an unbeaten record in the Grimthorpe Stakes, is a difficult colt to assess, for he has yet to be given any sort of a race. The four-length conqueror of Bold Bob on his debut at Newbury last month, Aragon had the same margin to spare over his closest pursuer, Eastform, when justifying odds of 2-7 at York a fortnight ago.

However, the Mummy's Pet

to run within 90 minutes of Doncaster course, She's In- bay is certainly among Dunlop's each other in Doncaster's open-credible, a one-time Guineas better first-season performers prospect according to at least and one who may well be able to overturn the highly rated Michael Stoute representative, Princly Fighter.

> DONCASTER 2.15—Man of Spirit 2.45—She's Incredible*** 3.15—Aragon

LINGFIELD 3.30---Ariadne** 4.0—Copper Beeches 5.00-Rutland NEWCASTLE

7.35—On Return 8.05—King's Forest

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PROMOCIONES REAL ESTATE C.A. PRONOCIONES BEAL ESTATE C. PROMOCIONES REAL ESTATE C.A. On Tuesday the Managing Director of Digital Equipment Co. Limited, Darryl T. Barbé reviewed the company's continuing impressive growth in the 1981 financial year.

Last year Digital's turnover in the UK rose by 27% to £142 million compared to £112 million in

the previous year.

Mr. Barbé said the continuing recognition of Digital as a stable yet innovative supplier in Britain depended as much on staff commitment as on building advanced and proven computers.

Today, in the final section of a four part review, we look at the way Digital bridges the gap between

generations of computers.

When extending our established computer families to offer greater performance we chose to follow architectures that assure software compatibility yet take advantage of only the latest well proven technologies.

British Aerospace, for instance, uses a large number of computers from Digital's wide product range in various stages of design, manufacture and testing of advanced aircraft including the Red Arrows

Hawk jets pictured here.

British Aerospace has powerful VAX systems for computer-aided design projects, midrange PDP-11s for flight simulation and uses a mainframe DEC system-10 for aerodynamic design work. Other uses include studying aerodynamic properties and production testing of components during manufacture.

In many cases, older machines are still working, alongside the more advanced systems. In one design project, for example, a PDP-11/20 from 1972 is linked to the latest in the line, a PDP-11/44.

In March 1981 Digital introduced in the UK a new member of the 16-bit family, the PDP-11/24. New packaging developments allowed us to put this entire minicomputer on to one single board. It runs the same operating system and is fully compatible with

Compatibility of Digital's professor for t

all earlier PDP-11 systems which now have 240,000 users worldwide.

It also offers compatibility with the 32-bit VAX family whose second member, the VAX-11/750 was introduced in October 1980.



The VAX-11/750 features 'gate array' technology for the first time in a general purpose computer system to achieve higher packaging density and lower cost of manufacturing. The in-house production of the gate array chips has become possible through extensive investment in semiconductor plant at Hudson, Massachusetts.

Winchester technology also made its debut this year in our 124-megabyte RM80 high density disk. Winchester technology uses sealed memory storage assembly to avoid dust contamination.

Compatibility with the rest of our minicomputer range is one of the reasons for the LS1-11 micro-

computer family's success. The other is that prices are continually forced downwards by the advance of technology.

Our 16-bit microcomputer boards cost less than our competitor's 8-bit products, yet offer greater performance. The latest development in this line is the SB-11, a powerful control computer introduced this year.

Graphics terminals from Digital have been on the market place for a long time. The newly announced GIGI (General Imaging Generator and Interpreter) features latest developments in colour graphics. It displays charts, graphs and other visual aids.

Bridging the generation gap.

Digital has always provided a bridge between different computer families and different computer generations through a policy of software migration and intercomputer communication.

Software migration allows users to take applications developed on one system and run them on other Digital systems.

In many cases this obviates the need for rewriting application programs every time hardware or software is upgraded, thereby protecting the customers' basic software investment.

Many of the currently available application packages were written on early PDP-11 models yet are today valid over the entire product range.

This advantage has enabled us to announce a growing number of joint marketing agreements particularly in the engineering field, such as the Kongsberg CDM 300 system for computer-aided

design and manufacturing, and the Genesys library of applications software.

During the financial year 1981, Digital produced several hundred software enhancements, covering all our operating systems, aimed at allowing customers easy migration.

Our long standing commitment to computerto-computer communications was reinforced with the introduction of Packetnet (links to public-packet switching networks) and the publication of the Ethernet specifications for local area networks.

Communications protocols available from Digital now include DECnet for communication between Digital computers, Internet for communication with computers of other manufacturers, and Packetnet for communication over public packet-switched networks in certain countries.

Our four part review.

On Wednesday we saw how Digital is investing for the future in Britain with manufacturing plant, new headquarters at Reading and an expanding network of regional offices.

Digital is constantly extending its customer support staff and facilities. On Thursday we saw how Digital sets the industry standard in customer service.

Please contact your local Digital sales office if you would like a copy of the Operations Review or a preprint of this four part series.

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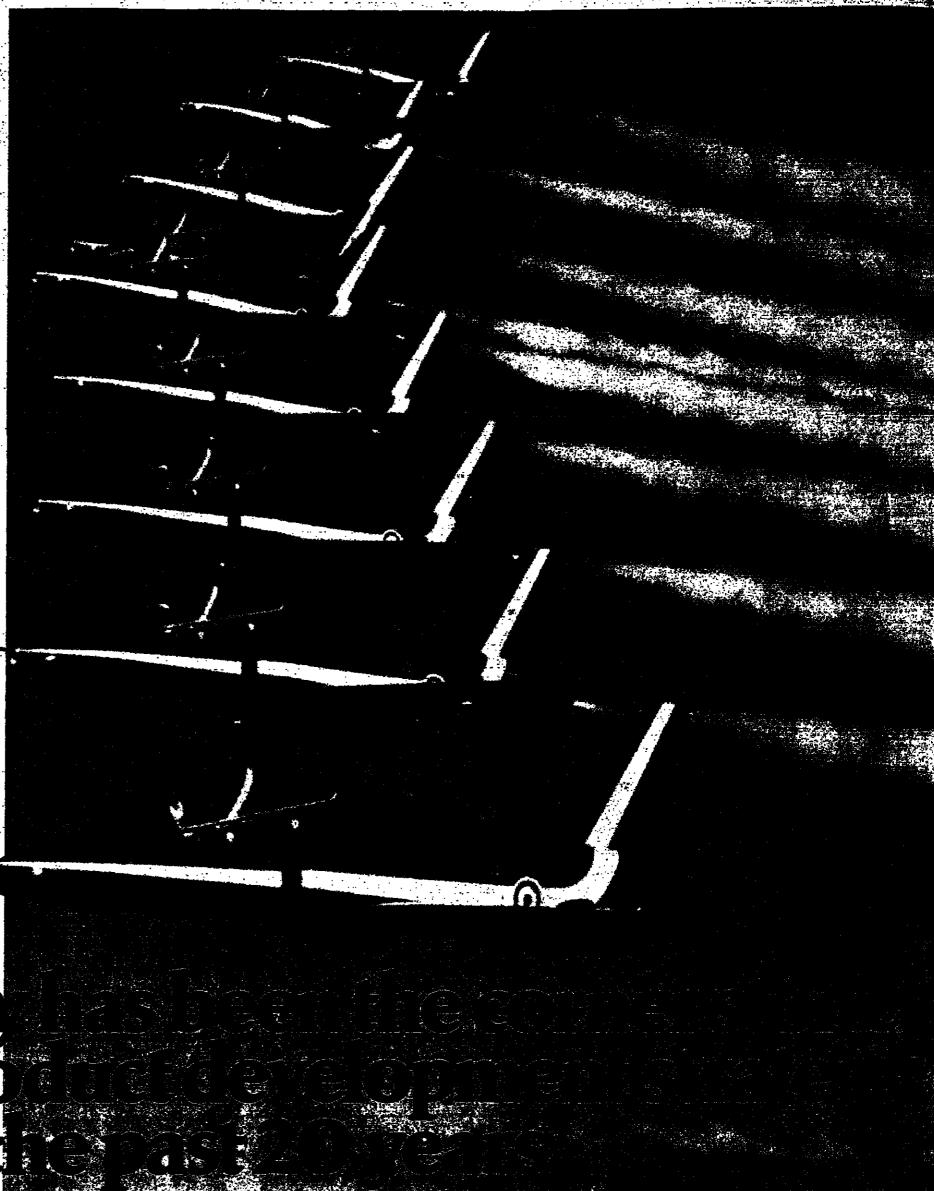
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Beating the home computer 'weak link'

A reduction in the price of floppy disk drives is a major goal for U.S. and Japanese manufacturers. Until that is achieved the disk drive will not become part of the home computer system. LOUISE KEHOE in Silicon Valley explains.

PERSONAL computer prices puter disk storage system in seem to drop almost daily. The the next few months, chespest machines now sell in Sinclair's drive, all the U.S. for under U.S.\$200. a similar size to the "shirt peripherals—the extras pocket" floppies to be offered that plug into the computer to by U.S. and Japanese companies with it into a useful tool—are will be a non-standard system.

the most inexpensive floppy disk drives sell for over

Reducing the price of floppy disk drives is a major goal for manufacturers in the U.S. and Japan. Until prices come down, the disk drive will not become a standard part of the "home omputer" system, they believe. Britain's Sinclair research has recognised the problem.

its new spectrum personal computer, Sinclair promised a \$100 for use with microcomputers, media from dirt. But even apply disk drive by the end of In doing so they aim to repair with careful handling, they can to manufacture. Sinclair might well become the first, but it will certainly not be the only peral computer manufacturers to offer a very inexpensive com-

Sinclair's drive, although of

still expensive.

Only the hobbyist can be have our own ideas about what satisfied with a cheap cassette is needed," said Mr Clive tape recorder for holding comSinclair. "Our drive will be puter programs and data, but sold in very high volumes by Sinclair, Timex and ICL."
Mr Sinclair's views contrast
with those of U.S. personal

computer and disk drive manufacturers who believe that it is essential for an industry standard to be formulated before a mass market for the tiny disk drives emerges. In the U.S. and Japan, In the U.S. and Japan, that the drives "play" will several disk drive manufacture make the new generation disks ecognised the problem. turers are also planning to much more rugged. 5.25 inch At the recent introduction of introduce smaller, more rugged floppies have a flexible outer and very low cost disk drives casing that protects the storage

equipped

market

MILTON KEYNES

disk drives will be even floppy disk—the pressure of a smaller than the popular 5.25 pen can dent the disk surface. inch drives used in most Storing disks is tricky since personal computer systems. Storing disks is tricky since they must be protected from temperature changes. And inches across. They will also be sending disks through the mail significantly cheaper. While is a real problem.

All this will be overcome by still self for about \$500, the new generation will carry being widely adopted for the new generation will carry retail prices of between \$100

In spite of having a reduced recording media area, the new micro-flopples will be able to hold as much as, or even more, data than larger size disks. This is achieved by increasing the density of recording tracks cording more bits of data per inch of track. A trade-off between price and data capacity must be made. A higher recording density requires more precisely machined read/write heads, and more sophisticated servo-mechanisms to control head positioning, which add to the cost of the disk drive.
Innovations in the design of the casing of the floppy disks

destroy the data stored on its

is a real problem.

All this will be overcome by a cartridge-style package that is being widely adopted for the new micro-floppies. A hard plastic shell protects the disk and makes it easy to handle, store or carry around. A window shutter automatically opens and closes when the disk is inserted or pulled out of the drive-exposing or covering the area of contact between the head, or stylus, and the disk itself. The "shiri-pocket" disk, as it is being called, will be as easy to use as a cartridge photographic film, the manufacturers

Severe limits

Just as carringe films produced a boom in consumer camera sales, so the personal computer manufacturers believe of computers. Most "home computers" sold in the U.S. do not have disk drives, but instead use programs held on plug-in cartridge ROMs (read only memories). While these Soppy disk drive by the end of In doing so they aim to repair while this year. The company has the "weak link" in low cost easily be damaged. Excessive are fine for games, they do not this year. The company has the "weak link" in low cost easily be damaged. Excessive are fine for games, they do not bending, or even fingerprints on allow the user to record his own expand the personal computer the wrong part of the disk can data which severely limits the

keyboard of a portable com-puter. Unlike the bubble mem-ory devices used in some of the latest portable machines, the disk drives are lightweight Several major Japanese disc

-can be fitted underneath the

drive manufacturers have al-ready put the new microfloppies into production, but U.S. companies are holding back. The problem is that so far, there is no agreement on a standard size for the new disks. Some manufacturers, notably Sony, favour a 3.5 in disk Hitachi and Matsushita, have 3 in diameter designs. U.S. companies are making prototypes in both sizes, but try-ing to organise an industry standard before they bring products to market.

Squabbles over size standards are nothing new in the disk drive business, but this time the arguments are particularly that the rugged micro-floppies urgent. As many as 5m of the will encourage consumer sales compact drives will be shipped annum by 1985 making it the biggest floppy disk drive market to date.

A standard is urgently needed to allow this potentially booming market to grow to its fullest extent, say the U.S. manufacturers. To organise the effort to set down a standard, narket by making fully destroy the data stored on its usefullness of the computer. Shugart Associates and Tabor Nijssen of Tabor. The custom— Although the Americans requipped computers truly magnetic surface. Reducing the size of the disc Corporation (drive manufacture or wants a low-cost, highly reworld like to have Japanese truly inadvisable, for example, drive will also make them turers) have joined forces with liable and portable microsupport for a standard, this The new generation of floppy to write on the label of a portable. A pair of the new Dysan and Verbatim Corporation (drive manufacture) have joined forces with liable and portable microsupport for a standard, this



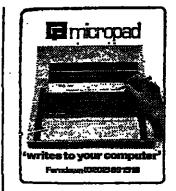
Mr Clive Sinclair: "We have our own ideas about what is needed," but his views contrast with those of U.S. personal computer and disk drive manufacturers.

tions (disk makers). and provide multiple

each other." says Mr Gerrit dorse it.

We need one standard for reliable, cost effective and portthe entire marketplace so we able drives,' comments George can reduce our manufacturing Sollman of Shugart. Once a standard has been established, manufacturing sources for pro-ducts that are compatible with courage other parties to encourage other parties to en-

support for a standard, this



ing. Hitachi executives shrus off any suggestion of standards discussions saying simply that their existing 3 in design will not be changed. Sony appears equally confident about its 3.5 in drive. Last month the company signed a contract to supply \$30m worth of the new drives to Hewlett Packard over a period of years.

With the Japanese fighting amongst themselves over what size the "micro-floppy" should be, it is difficult for the American manufacturers to make decision. More important than the actual size is that there be a standard. "We don't really care which size they choose," comments the OEM purchasing manager of a major U.S. personal computer manufacturer.

The major personal computer makers are also interested in seeing the new cassette style packaging of disks applied to the standard 5.25 in size, producing a rugged disk that could play off new versions of existing drives.
The size of the new genera-

tion floppies does however have great significance for a growing number of companies that are developing new tiny Winchester disk drives. These companies want to make their new hard disk systems fit the same form

would clearly be uneconomic for

would be likely to fall sub-

What do the trial users in Milton Keynes think of it all? Mrs Philippa Heseltine, a house-

wife living in Shackleton Place,

thinks that the most noticeable

benefit of Fibrevision is the

improvement in picture quality.

She rarely uses Prestel-"We

don't need the information much

at home "-but wishes there

were more afternoon films shown on cable-TV.

idea of services like electronic

banking and shopping, even if they were available. She fears that they would isolate people

in their homes by reducing the

need for normal social encounters. Even in Milton

Keynes, it seems, public accept-

ance of the "wired society" is

She is not too keen on the

stntially

Milton Keynes offers itself as a test-bed for the 'wired city' of the future

BRTISH TELECOM staked a blessing of Mr Kenneth Baker, tical trial of a broadband local new claim this week in its campaign to play a leading role in ubiquitous Minister for Information Technology, it called the UK's first practice in Milton Keynes, the

1 PAIR OF FIRRE

BRITISH TELECOM FIBREVISION NETWORK

Fibrevision system is tech-nically equipped to carry a wide range of futuristic services like electronic banking, home shopping and security systems, there are no plans to introduce these during the lifetime of the experiment. Instead, the system will distribute FM radio and six television channels already available on the coaxial cable-

Buckinghamshire new

which is seeking to put itself

on the map as a test-bed for information technology. BT

says that it expects the experi-

ment to provide a foretaste of the "wired city" of the future.

The trial involves only 18

households, and though the

That is probably optimistic.

channels are normal BBC and ITV broadcasts, and the sixth a pilot Pay-TV programme which was launched last year.

Prestel, BT's viewdata informa-tion service, without having to simplicity by building most of caole-TV networks. While most pay the usual local telephone the necessary electronic of the latter are built on a treecharges.

Oddly, though, no provision has been made to distribute Oracle and Ceefax, the broadcast teletext services, which have proved far more popular than Prestel as a source of televised information.

But if the system bears a topographical resemblance to Milton Keynes itself-lots of broad highways carrying precious little traffic—it also provides some interesting pointers towards the direction in which BT believes local cable networks should develop.

available on the coaxial cable-TV network which BT operates so that ordinary television sets in Milton Keynes. Five of the can be attached to it. The only special equipment needed is a signal converter unit installed in each home, and a remote control keypad which is used to Households taking part in the transmit commands through an

Prestel signals, prevent non-around a central switching subscribers from tuning in to point. Pay-TV programmes and collect

That may be a popular feature with householders, who clever electronic features to rovide many of their seles in

billing data.

the years ahead. Nor will it go down vell with with rental companie, which are filling their him street showrooms with sets equipped special teletat chips.

The Milton Kennes Fibre-

'intelligence" into the net- and branch-pattern which can work. Microprocessors located carry signals only in one direcin a central switching point don, Fibrevision is designed in effect channel changes, decode the shape of a star, clustered

Incoming signals, including satellite broadcasts, are collected at a "head-end" station which feature with householders, who need not buy a new television and sends them to the lucal to take part in the trial. But it has unwelcome implications for manufacturers, who manufacturers, who demand for sets equipper with UHF signals for display on tele-

> The fibre pairs are set up to carry two channels simultaneously, though their capacity is theoretically unlimited. Each home is also connected to the local switching point by a pair of copper wires, which transmit commands from the user.

still some way off. GUY DE JONQUIERES BT says that it cost £1,800 to

trial will also have access to infra-red sensor MOVE IN MORE

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The Office Technology I.T. Circle will keep you abreast of developments and enable you to benefit from the experiences of others. Topics to be addressed in 1982/83 are: * Viewdata * Benefits of Using Office Technology * Standards in Text Communication * Voice Message Systems & Managers and Workstations & Planning for Office Automation.

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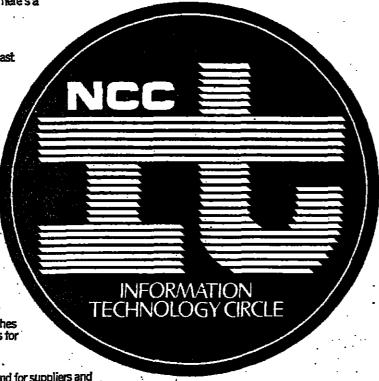
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INFORMATION TECHNOLOGY CIRCLES -- PROGRESS THROUGH CO-OPERATION

vision system is designed to be

East Rand Gold and Uranium Company Limited

Incorporated in the Republic of South Africal

Extracts from the review by the Chairman Mr. H. F. Oppenheimer

Financial and operating results
Throughout the 1981/1982 financial year the price of gold declined more or less continuously and thus the company was unable to maintain the spectacular earnings growth that it acreved in its first three years of operation. Nevertheless, turnover of R762 million from gold sales and R27,9 million from sales of uranium are sulphuric acid resulted in the company's revenue exceeding R100 milion for the second successive year.
Operating profit declined to R66,7 m/lion (1981: R93,0 million) and sundry income increased to R2,6 million (R0,9 million), giving pre-tax profits of R69,3 million (R93,9 million). Whereas no tax was payable in previous years, a tax charge of R67 million was incurred this year, leaving profits after taxation of R/2.6 million (93,9 million). After appropriating R17,0 million (R12,1 million) for capital expenditure, earnings of R45,6 million (R81,0 million) were available for dividend payments. Ordinary dividends of 145,1 million (R80,0 million) were declared and thus retained profit at the year-end increased to R2,5 million (R2,0 million).

million (R2.0 million).

miltion (R2,0 million). Plant throughput increased by 3, per cent. In treating 19,2 million tons of stime. As foreshadowed last/ear, gold production fell from 6 885 kilograms to 6 008 kilograms wing to the lower average grade of material treated. However, theoutputs of uranium at 296 tons and of sulphuric acid and oleum at 480 456 tons were at record levels. Operating costs at R1,97 pe ton of stime treated were 12 per cent. higher than those of the previous year.

Gold
The average gold price afthe London forings during the year under review fell by 28 per cent to \$420 an ounce from \$585 the previous year. The effects of this all were, however, cushioned by the depreciation of the rand agains the dollar as the price fell, in rand terms, from R448 an ounce to R390a decrease of 13 per cent.

In early 1982 factors which might have led to a higher gold price such as a weaker dollar andower interest rates falled to attract the cautious investor, who continual to take advantage of brief recoveries by selling, and to wait for the miket to bottom out. The price reached a low point of \$312 on March a. After that date, a limited supply of bullion and strong demand fror hoarders resulted in a higher price which was underpinned by reawed tensions in the Middle East and over the Falkland Islands.

Falkland Islands.

I believe the outlock for gold is positive in the long term, although recovery will proably be slow. In the short term much will depend on prevailing interet rates and the state of Western economies as improved economic conditions would strengthen jewellery demand and also encourage reater demand for gold in other industrial sectors. On the other hand there was a move to relationary economic policies in the West, acompanied by lower interest rates and renewed fears of inflation, the urrent bearish attitude towards investment in gold would prohably the.

Uranium

Spot price for uranium continued to decline during 1981, although at a slower rat than in the previous year, largely because of a slowdown in inventor-jequidation by consumers. Contractual prices have also come under passure and this, in addition to the growing tendency of purchasts to negotiate delivery deferrals to accommodate delays in their nulear programmes, makes it increasingly difficult for primary products to continue operation. Despite the vital role of nuclear energy there seems to be little prospect for any material improvement. energ there seems to be little prospect for any material improvement in meet conditions in the short to medium term.

Sulmuric acid

Soih African producers utilising the sulphur burning process were
affoted by the cost of sulphur, which remained high in 1981 despite the
wild economic slowdown, and also by the depreciation of the rand
gainst the US dollar. As most acid consumed locally is produced from
alphur, acid prices are expected to remain high during 1982 despite
the downtum in demand. Ergo should not be affected by this decline, as thas contractual commitments covering its planned production for the next few years, but it too suffered production cost increases and negotiations with Ergo's customers to review contractual prices were only partly successful.

Industrial relations

The company's joint consultative council continued to meet at regular intervals and satisfactory industrial relations were maintained during the year. The artisan training scheme introduced by the company last year is expanding and almost half of the 27 apprentices are from amongst our black employees. An annual industrial relations and employment practices audit which determines the extent to which the company achieved targets it set for itself was introduced and the directors' report

New developments

New developments
It was stated last year that Springs Nos 4, 5 and 6 dams would replace
Springs No. 3 dam. During the year, the necessary monitoring equipment and pipelines were installed and operations started on the first two
dams. The clearing of the remnants of Springs Nos 2 and 3 dams is in
progress. A satellite pumping station is under construction at the New
State Areas dam and it is planned that this dam and the Springs No. 1
dam will be almost depleted by the year-end. Thereafter material will be
drawn from Brakpan No. 2 and GGMA No. 1 dams. Reclamation of the
S.A. Lands No. 1 dam will begin in 1983 to supplement the law substruction. drawn from Brakpan No. 2 and GGMA No. 1 dams. Reclamation of the S.A. Lands No. 1 dam will begin in 1983 to supplement the low supplur content of some of the other dams being reclaimed. A fourth tailings thickener is being constructed on the north side of the existing treatment plant to accommodate the limited reclamation from S.A. Lands No. 1 dam and to provide additional capacity to facilitate the maintenance of the thickeners.

During the period under review good progress was made on Simmergo, the project to erect a 150 000 tons a month plant for the treatment of reclaimed sand dump material and to exploit certain underground ore reserves at Simmer and Jack Mine, it is estimated that the plant will be commissioned and mining of the Kimberley reef will begin early in 1983.

Capital expenditure
Capital expenditure for the year under review was R22.5 million. At Ergo, R8,6 million was spent, mainly on pump stations for the Springs and Brakpan dams and the installation to reclaim the S.A. Lands No. 1 dam, which includes the new tallings thickener currently under construction. Expenditure of R13,4 million was incurred on Simmergo, of which R8,8 million was spent on the treatment plant. R3.9 million on underground operations and R0,7 million on housing. The remaining R0,5 million was spent, also on Simmergo, in acquiring the rights to mine the dumps and underground ore reserves.

Forecast capital expenditure for the current financial year at Ergo is R21,4 million and it is chiefly for the provision of pump-stations and pipelines to reclaim S.A. Lands No. 1 dam and the dams to the north, namely the Brakpan, GGMA and Modder East dams. A similar amount will be required the following year for the replacement of the facilities currently in use at the Springs and New State Areas dams. Thereafter limited capital expenditure will be required to complete the installations for the remaining dams located to the north. Simmergo is scheduled to come into operation during the year at a further capital cost of R32,0 million, with R27,5 million being spent on the plant, R3,3 million on million, with R27,5 million being spent on the plant, R3,3 million on the population of the year is R53,4 million, of which an estimated R17,1 million will be borrowed from Anglo American Corporation and associates as they are financing the after-tax cost of Simmergo.

Prospects for the current year With the exhaustion of the dams in the Springs area, material is to be drawn from dams further to the north, which have a lower average ore grade, but this is likely to occur only towards the end of the year. As a result, it is expected that gold output will be maintained at 6 000 kilograms, acid production will increase to 500 000 tons and uranium production will drop to 250 tons.

The annual report and Chairman's statement may be obtained from Charter Consolidated P.L.C. at P.O. Box 102, Charter House, Park Street, Ashford, Kent TN24 8EQ or 40, Holborn Viaduct, Landon EC1P 1AJ. The annual general meeting of members will be held at 44, Main Street, Johannesburg on Thursday, July 29th, 1982.

A bold bid to strike a new deal

Arnold Kransdorff reports on Pethow's substitution of a trial profit-sharing scheme for wage bargaining

EVERY YEAR Ted Bird has a cross a table and argues about fac:-to-face confrontation with his employees over their annual wage rise. With very few exceptions it is always the same; there and argues about the next two years the deal is unlikely quite to match inflation.

The system presumes conflict inflation.

Surprisingly, this revolution in Surprisingly, this revolution is always the same; there is a major problem in British. is an uncomfortable bargaining session aimed at bridging the gap between the company's offer and the workers' demands—a not unfamiliar picture of what happens throughout British

Last year he had had enough. In the first place these confront-ations were always potentially destructive because they did nothing to encourage a harmonious climate for running the busi ness well. In any event they were unpleasant because of the relatively small workforce and the family-controlled nature of the ousiness; the Bird family holds roughly 48 per cent of the issued capital.

Secondly, the outcome invariably predicted an investment problem particularly when the company was doing well. At times of plenty the pay rise was usually a "healthy" one—but this put a strain on resources iust when cash was needed to finance the expansion of the

Bird's reaction to all this was the typical frustration experienced by any manager trying to survive in a difficult economic of management. climate. "Ordinarily, one sits Though it hold

industry—and it always deteriorates into a bit of a Dutch auction."

He grew increasingly determined to find an alternative that would also give the company of which he is managing director—Pethow Holdings increased investment leverage to face the mounting challenge from highly efficient Japanese

Today, he thinks he has found the answer to his pay bargaining problem through a bold an imaginative scheme that will result in the company's workers giving up 'their right to negotiate wages across the table in the traditional manner. In exchange, they will participate in an unusual profit-sharing

The plan, in effect a profitsharing sharing scheme which incorporates a qualified form of indexation of basic pay, will be implemented to a strict, preagreed formula, so no tee that the agreement would bargaining between employer then remain in force indeand employee will be necessary. firitely. The formula applies to every employee, including all levels

cautions approval of the company's 500 employees, although the concept has been greeted with hostility at national union level. "We cannot be dictated to by the outside; we have always tended to go our own way down here," says Tony Dawes, one of the union officials at the company, which is based in Sandwich, Kent, and makes diesel generators and welding

Fundamental

Nearly 90 per cent of the employees, who are represented by five different trade unions in a closed shop, have given Bird's scheme their approval in principle. But they reserve the right to veto it if, at the end of a full year's implementation, they find it unsatisfactory.

There is, of course no guaran-

By any standards, such a concession is remarkable given that free collective bargaining Though it holds considerable is such a fundamental principle

of trade union ideology in the

the idea in principle says much for Bird's persuasive skills. But their attitude also probably takes account of the recent unsettled state of the company which, in 1978, found itself in a buyer's market with an uncompetitive product. Follow-ing a series of pay rises which ded inflation by a substantial margin, the company plunged into two years of losses and had to push through 300

Since then a combination of measures, including cost-cutting and the new product line, has brought Petbow back into profits. On Wednesday it reported a £1.1m turnround to a pre-tax surplus of £0.18m for 1981-82, but the memory of those redundancies has not been erased.

The company hopes that the new pay scheme will enable employees to get a bigger slice profits than before. deal is also designed to give a measure of protection to employees' living standards, asthough this depends on the degree of success achieved over number of years.

Although not widespread in the UK, profit-sharing is not an unusual concept in itself.

Pethow's plan, however, is the ast which not only substitutes. That employees have accepted for free collective wage bargaining but also incorporates a provision for the distribution of cash and shares. It is also extremely unusual in that the extent to which basic pay is indexed is dependent on the level of bonus paid.

Under the scheme, which is start sharing in profits once the annual nominal pre-tax return on capital in the UK reaches 10 per cent, assuming inflation anything up to 8.5 per cent. If inflation exceeds 8.5 per cent in any year, the pre-tax return trigger level becomes 1.5 percentage points above the Retail

The proportion of profits to be shared with employees is determined by another formula,

pre-negotiated with the labour force at the outset of the scheme but kept nightly under wraps—which relates to me level of employee costs, includwhich relates to the ing the amount of any overtime and piecework.

Though this introduces a further element of uncertainty, only about a fifth of the workforce is on piecework. Bird says that even if all piecework and overtime are excluded from the calculation, it would make less than 1 per cent difference to the bonus paid overall.

The amount that is immediately paid out to employees will be around a third of the profits above the trigger level, with a similar parcel retained for future distribution.

The retention of shareable profit is a key element of the scheme. To give the company extra short-term cash resources to finance expansion, only half the bonus is paid in the first year. This is distributed equally in cash and shares, the latter attracting certain tax benefits provided under the Finance Act 1978 if unsold for up to seven

In each successive year the employee is again paid half the bonus applicable for that partiticular year. However, to go some way towards keeping faith with employees over true profitrelated earnings, they are also paid half the bonus held over from the previous year. The remaining quarter is paid out over a number of years, a system which has the effect of smoothing out any major fluctustions in bonus payments over time...

immediately) participates in "banked" boms.

Ted Bird: "One sits across a table and argues about a percentage that

In addition to the bonus payments, the scheme also provides for basic pay to be protected against inflation—always assuming the company is sustaining profits above the trigger level. If an employee's annual bonus

nyment comes out to between per cent and 15 per cent of arnings, the individual receives in addition an increase equal to the rise in the cost of hiving for that particular year.

For every 1 per cent that the bonus exceeds 15 per cent, the inflation adjustment to basic pay is increased by 0.2 per cent. But for each percentage point below a bonus level of 5 per cent, the basic pay increase will fall short of inflation by 0.2 per cent.

If the company incurs losses, or if profits fall short of the bonus trigger level—a situation applicable to the year just reported — the shareable profit becomes a negative figure. Using the formula, this gives a theoretical negative bonus rate which, when applied in practice, erodes the stored-up profit share of previous years.

At best, even assuming a meagre "bank" of undistributed profit-share, an individual's basic pay would rise in line with inflation; assuming an inflation rate of 8.5 per cent, the company would have to incor a multi-million pound loss—about

nothing.
"Employees should not have

to take a cut in real wages unless there is a sustained period of poor profits," says Bird. This, of course, assum that the company has first managed to build a healthy buffer of "banked" profits. It also does not strictly apply to the minority of employees for whom over a thord of taxable

wages normally come from overtime and piecework. Bird is confident that his scheme, which technically becomes operational this week, will prove "a more than acceptsubstitute for the old ming system. "Yes, the bargaining system. new system is based on certain presumptions, but at least we can all see how the formula is calculated. From the employer's point of view it also makes it easier to budget."

Argument

Attractive or not, the scheme took some selling. Having worked it out with the help of Copeman Paterson, an incentives schemes specialist, Bird's first rising but says that it provies problem was to convince a an incentive for employees to sceptical board. Having done that, it was the turn of the path.

At a meeting with employees earlier this year Bird asked if all other manpower decision they had the courage and fore including redundancies, but sight to agree to change the Bird is hopeful that drastic

Annual General Meeting of Shareholders

for the approval of the Annual Report and

the Balance Sheet as at December 31, 1981

traditional remuneration system. measures will never again be

employee automatically (and pay rise to be whittled away to tain: "First, we have to make profits. Once we make money, then we can share it among ourseives."

> Examining how a company could meet its short-term revestment needs while at the same time pay its employees the reward they deserve for success. he said the solution was to smooth the payment of profitsharing bonuses. "This means that when we have extract good profits we pay ourselves straightaway only half of the amount that we could have done. We pay ourselves the other half hit by bit over a number of years. thus allowing the company the use in the meantime of extra money to finance the additional business.

Bird believes his schene, which he has called his Jib-Preserving Pay Deal, does just "The scheme wouldn'toe any good if employees get iss out of it than they would hoe to do under normal condition he says.

He agrees that the deal vil work best when profits re get the company on an upwild

Under the deal, management will retain the right to make If an employee leaves, his or multi-milion pound loss—about He backed up the obvious necessary. "If things go really her stored-up share of the bonus is forfeited. But when an indistrict times that of 1978-80 and challenge with the classic profit badly then all proceedings go is forfeited. But when an indistrict times that of 1978-80 and challenge with the classic profit badly then all proceedings go is forfeited. But when an indistrict times that of 1978-80 and challenge with the classic profit badly then all proceedings go is forfeited. But when an indistrict times that of 1978-80 and challenge with the classic profit badly then all proceedings go really out of the window anyway," he will never agant be measures will never agant be measures will never agant be measures.

How the scheme would work The assumptions include a

PETBOW'S new profit-sharing formula provides an intriguing picture of how the comemployees could benefit over the next few

Next month, employees are due for a 3.24 per cent basic pay increase to bring the old November pay review date into line with the profitsharing plan. On top of this a special

cent—in effect a carrot—is being paid in shares. This would bring a skilled worker's basic pay up to £5,225 a year excluding overtime and piecework.

lead-in bonus of 1.02 per

Making certain key assump-Petbow employees should start improving their living standards from 1984.

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fim pre-tax profit in the current year, a figure which Ted Bird. the company's managing director, says is not an unreasonable goal, and a modest £0.5m annual increas thereafter. Also, inflation is assumed to be static at 8.5 per cent a year, with the workforce remaining the same size and a skilled worker earning an additional 35 per cent of his basic pay in overtime and piecework; even when demand is not strong, as

at present, Petbow works considerable overtime. On this basis, a skilled man's earnings excluding overtime and piecework, but including eash and share bonuses paid, will rise by 62 per cent to £8,593 in 1987.

according to figures provided by Copeman Paterson, the company which designed the His share holdings over the

period will total £1.171 at bought-in prices and he would be entitled to almost £1.000 out of the stored-up bank of profit-share to be paid out in cash and shares in future

During this period the annual basic pay rises would fall slightly short of the ssumed inflation rate for the irst three vears but this short-All would be more than made ul from 1984 onwards by r\fit-sharing bonuses. This is because the company's UK proits fall short of the trigger leve\of £1.33m for 1982-83.

From a statistical point of view. historical look at what mighthave happened if profitmight have happened if profit-sharin had been in existence since, lay, 1974, is equally intriguig. During this time there we at one stage near hyper-inition (the RPI was once at 6 per cent), plus statutory ay limits. More-over, the lompany incurred two years of losses, so the "bank" of rofit-share would have been syerely depleted, have been swerely depleted,

According to company records, the bisic pay of a skilled man indeased by 295 per cent to £4.65 during the period 1974-75 to 1980-81. Copeman Paterso calculates that basic pay would have risen by only 245 er cent to £3.864 had the protesharing plan been operational over this period.

The difference shinks by £617 when shares, at yought-in prices, are included, but this is still around £20 less than the cash figure acheved

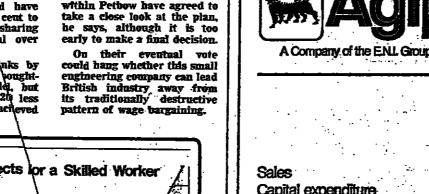
through collective wage bargaining.

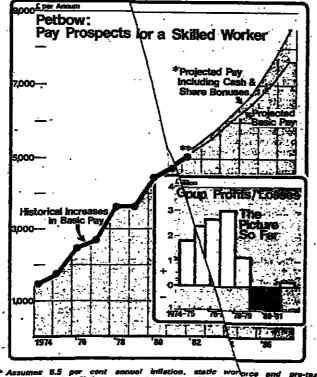
Bird makes the obvious point that the employee's position would have been substantially better had the company not actually incurred losses. But he also believes that under the profit-sharing scheme, the company would probably not have had to make redundancies.

Whatever the pros and cons, none of this has made much of an impression on the national union organisations, have received Bird's profit-sharing scheme with a than enthusiastic геѕропѕе.

Larry Brook, a divisional organiser of the Technical Administrative and Supervisory Staffs (Tass) section of the Amalgamated Union of Engineering Workers, says: "We would not choose to go down this road at all. It represents a threat to a free collective bargaining situation but faced with our members. and members of other unions. wishing to explore this development further, all help and advice has been directed towards proceeding absolute cantion."

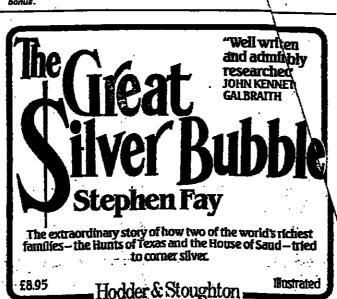
Tony Dawes, leader of Petbow's white collar workers (he is chairman of the comviews the scheme " with great expectation." All the unions within Petbow have agreed to take a close look at the plan, he says, although it is too

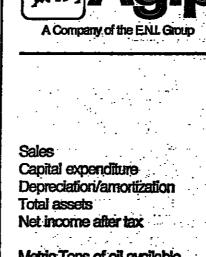




Assumes 8.5 per cent annuel inflation, static workprice and pre-tax profits rising by £0.5m a year from base £1m in 19/83. Formula is applied to P60 earnings which include overtime and pieceock estimated at 35 per cent of basic pay. Excludes banked up profit-shat to be paid in future years but includes there value.

3.24 per cent increase to adjust pay review date and 1.0 per cent share bonus.





1981 Results 1981 1981 Over 1980 1980 U.S. \$ millions 12092 9.148 4,823 +322% 373 231 +23.9% 298 402 227 +35.-% 1,062 922 713 +152% 102 97 -959% Metric Tons of oil available 429 + 9.6% Cu. meters of natural gas produced in Italy billions 123

The annual General Meeting of Shareholders of AGIPS.p.A. was convened in San Donato Milanese on 8 th June 1982 under the chairmanship of Mr. Bruno Cimino for the approval of the Annual Report and the Balance Sheet as at December 31, 1981.

The Annual General Meeting of Shareholders unanimously approved the audited Balance Sheet and the Profit and Loss Account as at December 31, 1981 together with the Directors' Report, and declared the distribution of the year's profit as follows:

(millions)

equal to 5% of the net profit to the Legal reserve. carried forward

Consolidated results for AGIP and its subsidiaries in Italy and abroad in the research and production of oil, gas and geothermic resources.

U.S. \$ 15,417 millions Capital expenditure: U.S. \$ 1,527 millions Depreciation: U.S.\$ 1.011 millions

AGIP operates in 33 countries in the 4 continents through 21 subsidiaries and 3 associated compa-

1981 Balance Sheet ASSETS ' Current Assets: Cash & Banks Accounts receivable & Sundry Debtors Shareholdings & Loans: 1,229 Shareholdings Loans to third parties, subsidiaries 799 Fixed Assets: Property, plant & equipment Work in progress and advances on Contra Accounts LIABILITIES Current Liabilitiesz 1.847 Accounts payable & Sundry Creditors Financial Debts: 2608 Depreciation, depletion & amortization and other funds Capital & reserves: Capital: ordinary shares Legal and other reserves : ... Net profit for the year Conversion Line to U.S. S at the official rate of exchange on December 31.

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THE ARTS

Not A Love Story (X), Paris

Charles and Lucie (AA),

Hog Wild (AA), Classic Oxford Street, Scene Leicester Square, ABC Edgware Road.

Not since Paul Schrader's Hardcore in which George C.

Scott buffed and puffed through the California porno

world in search of his missing

daughter, has a film pressed such an apoplectic nose to the windows of the North Ameri-

can pornography industry. Bonnie Sherr Klein's Not A

Love Story gives us Feminists

against Obscenity; not so much

documentary more a rigorous

self-improvement programme. Magazines, sex shops and "nude

encounter" parlours are all subjected to gale-force tut-tuiting by the film-maker and

her fellow-investigator Linda Lee Tracy, a quasi-reformed Montreal stripper, as they pan-

handle for prurience above and below the 42nd parallel.

The aguments are those of the traditional pro-censorship

lobby, here given a trendy femi-nist tilt. Male sex fautasies,

whether splashed onto centre-folds or enacted in red-light

nightclubs, debase women, de-humanise them. "Pornography is a way of continuing a death-

oriented society" says one woman. "We got pornography

and what we wanted was croti-cism " says another. (But she

doesn't define the difference).

"The camera never caught it — it never felt the love" says a

male porno-film star, now "retired."

Every cross-section of human society — women or men, blacks or whites, rich or poor — has a

right to protect itself against

coercion and curbed freedoms,

or against being the involunvictims of commercial or

sexual "exploitation." But Not A Love Story gets its anti-porn

arguments in a terminal twist on

First, the movie's constant

harping on women being "forced into" nude-modelling, prostitu-

tion et al would be justified only

if the American sex market was

fed by a slave-trade recruitment

of labour rather than by volun-tary enlistment. (Of course

when the Women's Lib camera

nude-encounter ladies

turns on them in their booths,

trained to oblige, pipe up with "How degraded we feel").

Secondly, the argument that pornography expresses a venge-ful male desire to dominate

women in a Feminist era (the

biggest-selling sex image today, says a Canadian publisher, is

the genuflection of oral sex)

leaves cheerfully out-of-account

at least three fronts.

Money/The Pit B. A. Young

My hatred of the Barbican dwindled as the complications of Bulwer-Lytton's Victorian comedy, transferred from Stratford, unfolded in the Pit, and long before the interval (which is nearly two hours a coming) is was well pleased. Anyone unused to the drama of this period will need virtually to translate it, for much of the language is in the artificial manner of the age and them. manner of the age, and there are almost as many asides as there are lines of straight exchange. The company, at any rate, deal with it as if they have been at it all their lives, though they are inclined to play too much to the front, while the stage is surrounded by seats on three sides.

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The plot is based on a tradi-tional triangle. Alfred Evelyn, a poor secretary to his mean cousin Sir John Vesey, exchanges his affections, between two of his cousins. Clara, modest and decent, and Georgina, ambitious and untrustworthy. In the first scene, Evelyn, as he is almost always addressed, inherits an enormous fortune from yet another cousin in India, to the fury of everyone else in the family, who had been counting on it for themselves.

By this time, Evelyn has ady been refused by Clara, who has early-Victorian morals. and becomes engaged to widower who becomes Evelyn's Georgina. It then becomes his confident, affects permanent object to test her virtue, which he does by plunging into a life of wild extravagance until the word goes round that he is done for. Although the girls are at the centre of the play. Paul Shelley's Evelyn is a very light at the centre of the play. the action takes place mostly among the men, who are a more moment to answer a question colourful bunch. Sir Frederick with a quotation from Paley's

quite adéquately, but without

nuch compensatory flair or wit.

The scenario is an academic



George Ruistruck and Miriam Karlin

stock dandy, unable to pro-nounce his r's, Captain Dudley Smooth (Bernard Lloyd) is a high-stakes gambler; Mr Graves (George Raistrick), a wealthy widower who becomes Evelyn's mourning for his wife but actu-ally fancies Lady Franklin, Georgina's aunt; and how well

dry, tedious man, liable at any

Gillfins/Old Red Lion

Rosalind Carne

in spite of the smart clothes and smart behaviour he takes to, he remains a serious fellow heart. One of Lytton's tricks is to turn the apparently dodgy characters into goodies: Captain Smooth, for instance, proves to be Evelyn's best friend when everyone thinks he has ruined

The girls are beautifully contrasted. Sarah Berger as Georgina, outgoing and smart. is everyone's favourite, first for and it is touch and go whether director is Bill Alexander.

Blount (Miles Anderson) is a Evidences of Christianity, and she gets him. As Clara, Juliet Stevenson is quiet and good and unbelievably kind. Miriam Karlin as Lady Franklin made me think of Lady Wishfort in The Way of the World, and how nice it would be to see her in that part.

The set, designed by Di Seymour, consists mainly of plush chairs and tables on a green carpet, and it serves equally well for every scene. even for the club in which Smooth and Evelyn win and the fortune, then for Evelyn, lose fortunes at piquet. The

James Wood/St Bart's

David Murray

It has become fashionable to an uncanny resemblance to her shock the Bloomsbury Group. near - contemporary Virginia Rominic le Poer Power has pre- Woolf. Like her, she was at ensions to more than fashion in the centre of an intellectual ais erudite exercise in literary coterie and her friends appear sulduggery, the first produc-ton from Mind's Eye Theatre. bunch. Surely Mr Emerson adly, it is a dull, static affair, elittling its artistic inspiration Lytton Strachey? Much of the audience's effort is expended on identifying these characters This flood of supposedly symposium, honouring the comic allusion is presented via centenary of the celebrated the readings and reminiscences writer Cecilia Brindle (1882- of a panel of "experts" who are probably imaging satisfyingly varied.

1939). Coming fresh from a discovered to be quite un-similar event in Dublin I am healthily involved in the comwell aware of its humourous ings and goings at Gillfins. potential. However, this silly There is plenty of scope for little play runs overboard with excitement and there are a few crude devices. As a foil to the nice pastiches in the television racified prose it purports to actress' recitations from "Sea the ceiling threatens to cave in other gems. Unfortunately, the virtuoso sound-engineering for Stowe (strong and direct) and and a mysterious and embarras- performances, directed by domestic secret muddles Andrew Hilton, lack subtlety or the clear waters of academic distinction, though Roland new work which asks for live Delphic hymn to Apollo scholarships.

Oliver as Brindle Pike, the sounds only: The Living Night, through fragments of The Frogs
The proceedings are illu-harassed chairman, has con-composed for him by Elisabeth and The Bacchae Wood has conminated by a series of slides siderable controlled energy and and Cecilia is discovered to bear a certain repressed charm.

Besides being a most musical gentle, with small motifs that percussionist. James Wood is trickle from one pitched instruserious composer and a one- ment to another, punctuated time student of Nadia sparsely and tellingly by un-Boulanger. His lunchtime pitched sounds from brushes recital on Wednesday in St and rattles to gongs. Miss Lut-Bartholomew-the-Great, part of yens makes strictly economical the Park Lane Group Festival there (it runs for another sion, week), made as attractive an Wo Wood's own arrangement of

attractive than some will

use of a large array of percus-

hour of percussion-music as one the first Trio Sonata of Bachimagine-much more two parts pre-recorded, the third delivered live on xyloimagine, and rimbs or vibraphone-made a There is more music for solo upon the ear. The last half-percussion than you might hour was a splendid piece of think, but modern electronics has considerably enriched the possibilities for recital-work. In controlled to be continuously than the incontrolled to be continuously controlled to be continuously controlled. useful contrast, and fell easily that regard Wood has the in-exciting: Wood's Choroi kai valuable assistance of John Thaliai (Revels and Dances) Whiting, best known for his with himself, the soprano Sara the group Electric Phoenix, pre-recorded choral chants. On Wood began, however, with a classical Greek texts from the Lutyens. For a dozen minutes trived a rising curve of contrait makes evocative play, mostly puntal rhythmic excitement

Cinema

Nigel Andrews

The lady doth protest too much

past a sex-shop window today be relied on simply and cleanly can see that dominant women

— usually leather-clad, whip wilding and looking like a pop Boadicea — are just as thick on

the mattresses as dominant men. Third and most threadbare of all the film's contentions is the old chestnut that sex is a legitimate activity only as an ancil-lary of "love." Romantic love, of which this precept is the cornerstone, has always pressed the belief that physical attraction and spiritual affinity are somehow linked deep-down, and this fallacy has probably been responsible for more post-nuptial disillusionment and misery than any rubrick in human history.

Not A Love Story believes that in the ideal society sex-for-sex's-sake would wither away: much as the state is supposed to wither away in the ideal Marxist society (but never does). The credo reckons without centuries of illustration that human beings enjoy sex for its OWD sake, as well as within a love relationship; and however much more important or durable love may be than sex, it cannot proves a stolen one.

to subsume all sexual desire and sexual fantasy.

Not A Love Story is the old Puritan blast-on-the-whistle given a little modish '80s kudos by its Feminist backing. But the arguments are all as spurious iniquitous and repressive.

Charles and Lucie, directed and co-written by Nelly Kaplan, is a French road movie for four footsore feet and two plucky-and-imperishable souls. The 60ish married couple of the title (Daniel Ceccaldi and Ginette Garcin) sell their humble town house, plus fixtures and fittings, they inherit a multimillion-franc Riviera villa replete with swimming pool and what it says in the deed at least, and seems to promise in the photograph. But when they reach the address all they discover is a wooden shack squatting in miles of dune land, gift of the crooked lawyer who contrived the fake bequest. And even the car they simultaneously inherited, and are now driving,

in four-square, flatly-lit, Frenchcomedy naturalism. But if Kaplan doesn't show much of an eye in this film (compare her perkier Figures du Pirate), she has an ear and a funny-bone and a plot imagination. The tale and its human all mod, appurtenances. That's tellers-Ceccaldi with his bemused face gaunt as a clock-tower and Garcin a redhead waif with a squally Piaf voicemake this the best French import to the Curson for many

Penniless, thunderstruck and

pursued by the police, they bravely tramp from town to town, from ride to ride on hitch-hike vehicles, improvising sur-

vival. En route they learn to love and need each other again,

and thereby hangs the fable. Bankruptcy can bring you

Though I don't wholly sub-

scribe to the notion that wealth can't, the film has a wise-and-

breezy flibbertigibbet charm and

a surreal resource in its plot-

twists that isn't quite matched in its looks. While our two

rolling stones gather over more

exotic moss—a mass murderer met in a confessional (their

bedroom for the night), a tra-

velling lady palmist Nostradama
—the camerawork limps after

happiness.

"You've just learned an important lesson, son" says stern and deadpan Dad, after breaking a billiard-cue over his startled 18-year-old's back; "You never turn your back on anybody, not even your own father." Hog Wild gives us the best pokerbacked nutcase of an American paterfamilias since The Gradu-ate; and the film launches him airwards with a dozen other curious-kooky characters in a juggling-act comedy of enormous

A nominal plot spins around the feud between a blond-topped college boy Michael Biehn (the billiard-bashee above) and a motor-bike gang led by the "Bull" (Tony Rosato), with Patti D'Arbauville as the fair damsel caught in the crossfire. But the film, cocking snooks at every town-and-gown class-andgangland film from Grease to Animal House, motors along on its marginalia: the Woody Allenish class swot caught by the gang in the school toilet ("I have this aversion to physical pain," he stammers: " maybe because it hurts so much"); the pinbrainedmacho gang leader who cannot utter a coherent syllable and has a special henchman-interpreter for his adenoidal Method burblings ("The Bull says, You are disturbing his universal scheme of things "); the mad censorious Dad, It's a Puckish, inconsequential, scatterbrained. hugely enjoyable film. Andrew Peter Marin wrote, Les Rose



Patti D'Arbanville in Hog Wild

The Prodigal Son/Greenwich Festival

Devour the Snow/Bush Michael Coveney

A bronze figure of Minerva by Johann Gregor van der Schardt, was sold at Sotheby's vesterday to Cyril Humphris the London dealer for £99,000. It was made in the late 16th century. A rare Nottingham alabastar altar piece of the late 15th century was bought by Leggatt Brothers, another London dealer, for £49,500, on besmall town community investihalf of the Castle Museum in Nottingham. Sotheby's sold the gates the Donner Party incident

Saleroom

Other high prices in the auction of works of art were sucress of works of an early 17th Sierra Nevada and the play receibury bronze figure constructs a trial (all records of century bronze figure

It is rare for anything at the excellent Bush Theatre to fall into the "So What?" category of contemporary drama, but this oddly inconsequential American trial play by Abe Polsky does just that. The scene of Simon Stokes's is Sutter's Fort in north Carolina, 1847, where a

five panelled eltar in 1946 for £1,000.

Other high prices in the frontier expedition had been trapped in a snowfall in the

While the conventional thrust which it refers are almost im- than Mr Polsky's text. penetrable, and anxious referaudience participation.

tions of murder and cannibal- evening is up.

which are lost) in which the ism. Also, a paranoia on the part last survivor, Lewis Keseberg, of the plaintiff as to his alien brings an accusation of slander status in a close-knit mercantile against two of his fellow community. These passages are bioneers. superbly despatched by Stuart Wilson as Keseberg; his boiling of the dialogue is easy enough passion and indignant selfto follow, the circumstances to assurance are far more eloquent

But, at the end of the day, ence to a detailed chronology does one really care a jot abbut in the programme proves a who ate whom or even why? tiresomely essential condition of You will be left aimlessly counting the bags, barrels and buckets In the background of Kese- on Grant Hick's attractively berg's case lurk counter accusa- realistic set long before the

festival the Group completed the trilogy with The Prodigal Son, seen for the first time on Wednesday in the chapel of the Royal Naval College. It will be followed by the two earlier works. The productions should not be missed.

of the earlier parables. If it beyond its original potential.

lacks their emotional power—
largely because the story itself production more or less follows lacks the moments of divine intervention that provides each staging laid down by the com-

For the Greenwich Festival in of them with its overwhelming poser in the score. The characthough Christopher Gillett's carry the narrative forward. But The Prodigal Son has its compensations, not least in its scor-ing, which is seemingly inexhaustible in its imagination and in its ability to derive telling effects from the slenderest means. The colour given to the vocal lines by the use of alto It is commonly held that The flutes, high trumpet and viola Prodigal Son represents a fallespecially develops the processing off from the achievements begun in the earlier works far

the precise prescriptions for the

1980 and 1981 the Cambridge and inevitable climax-it re-ters here do not use masks at Tempter is outstanding both for Opera Group created new pro- mains completely enthralling. all, taking the parables farther ductions of the first two of Ben- There are moments when away from the Japanese Noh jamin Britten's churchparables. Britten seems to be relying on curlew River and The Burning the traditions he created to first furnace. For this year's than the score suggests, effec-tively accommodating the departure of the servants to the fields, and the return of the Elder Son at the end of the work. The production is lit by candles, an intelligent decision when the rather opulent interior as the Elder Son. of the Royal Naval College chapel could jar against the austerity of the parable itself.

It is, however, an account of

its complete vocal assurance and convincing assumption of the insidious and smooth talking role. Stewart Buchanan is a warm and believable gentle Father, though he and Younger Son of Philip Salvion would have imposed themselves on their roles more firmly had they possessed greater vocal power. Simon Phipps makes much of his petulant outbursts The chorus and insrumenta-

lists under the musical direction of Simon Halsey sang and played with commendable accuracy. The production, the work that is utterly faithful straightforward and uncluttered. in every essential particular to the spirit of Britten's work. The four principals are all splendid, as widely as possible.

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Vehicles to accommodate in

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II Owelty in a state of balance (9) 12 Spell to mitigate (7)

13 Most profound river bore (7) 14 Composer of happiness? (5) 16 Liquor vessel to broach with a good man again (6-3) 19 Gloomy oracle about ship

and gunners (9) 20 General American subsidy (5) A large number return to take off and are rebuked (4, 3)

25 Article is seen in feline bond (7) 27 Impetuous, like a person under a hair-drier? (3-6)

28 Island formed in a ring (5) 29 Tailor's accessories creating numbness (4, 3, 7)

DOWN

2 Cocked hat and wig fashion-able after Marlborough's victory in 1706 (9) Give strength to audacity (5) Current edition introduced

to the public (9) Cycle in a circle (5) 6 Event perhaps in Gateshead?

(9) 7 Join a group of soldiers before start of exercises (5) 8 Team always needing weight 24 Grew pale and died away

6.3

9 Young reporter accepts her 26 A minor to give a prize (5) spirit (6) 15 Flatter musical composition that's broadcast in instal-

ments (4, 5) 17 Fruit on shelf that may terminate knitter's work (5-4) 18 Principal's vocal inflexion should contain grave words

(9) 19 Sauce needed to overtake (7)

21 Ensnare in seaweed (6) 23 The French can create another language (5)

Solution to puzzle No. 4,905 TEST/SUNT GARDER

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FINANCIALTIMES

Telegrams: Finantimo, London PS4. Telex: 8954871 Telephone: 01-248 8000

Friday June 25 1982

A threat that must be faced

the National Union of Railway-men will call an indefinite national stoppage on Monday; and ti is entirely certain that any such stoppage will do fur-ther and possibly quite grave damage to the already declining industry which employs them. The union and its members are well aware of this. That is no doubt why the union executive thought, erroneously, that the British Rail board would compromise rather than face a stoppage, and why an unknown number of railwaymen are reluctant to support

In these circumstances the normal instinct of politicians and of commentators, including ourselves on many occasions is to deplore, and seek any facesaving way to avert disaster. This time, however, the two sides seem to be rushing knowingly into collision, with no attempt to change course. From the employers' point of view, it seems to us that on this occasion, standing firm is the only reasonable course.

As has been widely noted and resented in private industry, the pains of disinflation were at first private sector. More recently, the Government has been prepared to confront some very costly disputes to impose a simihar constraint first on the civil service and now on the health feel that its own role can be

Strategic

Public sector industries, however, pose special problems; for the issue here is not simply one of pay. These industries, like private industry, also need to make some painful and long delayed changes in working practice to achieve higher efficiency; otherwise they may have to go the way of many steel plants, and some ports, and

Because these industries command some of the strategic positions in the economy, employers have been unwilling to push their demand for efficiency to the point of confronta-tion. Because of this tradition,

seems very likely that some employees seem to have reached the conclusion that any employer who cannot go bank rupt can always be obstructed and squeezed. At some stage these militants may have to learn that access to public money is not only a source of ultimate bargaining strength.

The particular issue which

has arisen on the railways-the working of a limited number of modern trains without guardsmay not seem a very good ground for a decisive battle. The dispute may appear to be about the wrong topic, and with the wrong union. However the British Rail board, already constrained by the heavy cost of this year's train drivers' strike has clearly reached the point where it feels it must insist: it might well have reached the same decision earlier. If there is to be a long and

national dispute, it clearly cannot be restricted to one narrow issue; the board will have to take the opportunity to insist on the change it requires from all kinds of quite largely restricted to the staff, which will initially further complicate and embitter the dispute. Unless the strike can be averted, it may well be a long one. The Government may well

> limited to firm assurances clearly already given—of sup-port for the board; but this is too negative a role. Two things have embittered relations in a once peaceful industry. One is vicious syndrome entrenched inefficiency leading to low pay, leading in turn to resistance to improved efficiany vision of a more hopeful future. A breakthrough on efficiency could improve the prospect for pay, but only the Government can underwrite the future of even an efficient railway system. The Government should now be considering the commitments it is prepared to make if progress on

Time to reform Turkey's banks

THE TURMOIL in Turkey's dustrial groups now own confinancial markets might well trolling shares in most of the have been avoided. The authorities have long known that able to pressure the banks to the country's money markets exceed are unhealthy and that many limits. banks operate against normal banking principles. This week it has had no option but to step in to prevent various banks from going under.

Collapse

It is three days since the collapse of Banker Kastelli caused a run on many of the country's smaller banks. Despite its name, Rastelli was a broking house, not a banking firm. Last winter many other similar "Bankers" went under, causing public wrath and government embarrassment. But it is a measure of the role Kastelli played that to many Turks it had come to symbolise the stability of the system as a whole. Up to the end it continued to attract funds for industry and the banks, offering real interest rates of up to 20 per cent on the bonds if sold on behalf of Turkish industry and the certificates of deposit which it placed for Turkish

Thousands of Turks sold property or jewellery or invested their savings to take advantage of these terms. By the time it collapsed Kastelli had marketed an estimated \$650m worth of such paper, adding its guarantee to most of it. Two factors brought it down. The first was its need to accept progressively poorer risks in order to keep up the growth in placements on which it de-

The second and related prob-Iem was the government's decision earlier in the month to nighten its squeeze on bank liquidity. Kastelli's problem came to a head when a client bank was unable to meet payments on certificates of deposit which had matured.

Kastelli's problem thus de-rived from a malaise affecting much of Turkey's financial system. The economic crisis of the past four years has caused grave problems for many Turkish firms. These have been compounded by a rapid rise in borrowing costs. Interest rates were freed two years ago and firms now have to pay around per cent above the rate of in-

The problem of the firms have rubbed off on the banks. able to meet their interest payments and banks have often been obliged to enter accrued debt. In addition, individual incountry's banks and were often prudential lending

While the banks had trouble with their lending, they have also had to compete for funds with the "Bankers" like Kastelli. This competition has become so fierce that some banks were paying more for fresh funds than they were able to obtain from new loans.

expected some trouble in the market. In private, officials would even suggest that the failure of a small bank might provide a useful example to depositors. An example has now been provided, and the depositors' queues which have been forming outside the larger banks are evidence that many of the public have learnt their lesson. The question is what the authorities themselves

will learn.
Three steps now seem neces sary. The first is that all banks must be required to have their accounts regularly audited by independent assessors. The second is that the banks' reporting system to the authorities should be improved and the Ministry of Finance exercise the prudential role assigned to it by law; too many officials now openly take for granted the way that the banks windowfew do anything about it. The third is that clear limits must be set on the extent to which a bank lends to its own corporate shareholders.

Political

In the longer-term some con-centration in the Turkish banking business might be beneficial. It is also time for the authorities to enact a proper Capital Markets Bill. One has been in preparation for at least 15 years. In the last resort these are deeply political questions. Any alterations to the banking system are likely to highlight the cost to industry of the country's protracted economic crisis and the Government's current austerity programme. Making the banks more healthy may, in the short term, make industry less so.

A balance must be struck, for

it appears that the government can no longer afford to continue with its past policy of benign neglect. The funds provided to the banks in the past few days threaten to give a renewed impetus to inflation and to cause Turkey to breach credit limits agreed with the IMF. They also give the government the leverage to make some overdue

POLITICS TODAY

Mr Nott's changing fortunes

By Malcolm Rutherford



Mr Nott pictured on Wednesday with Buccaneer-mounted Sea Eagle missiles. He opened new laboratories at British Acros Hatheld plant where the new all-weather, long-range, air-launched, sea-skimming, anti-ship missile will be developed

rely on the Invincible, which other ships destined for the knacker's yard, but also be-cause of his disastrous performance in the fateful House of Commons debate on Saturday,

In the autumn things began to go wrong, as the Treasury sought to claw back some of the expenditure which it was thought had been agreed in the summer. This is a perennial exercise for which he should seems both to have surprised and pained him. Mrs Thatcher sided not with the Defence Secretary but with the Chancel-

Mrs Thatcher's priorities may have changed slightly since the

For a time Mr Nott succeeded

He is — or was — one of those people who, like President Reagan, can make the light

shine out of the Prime Minister's

eyes. Last July he produced a

defence review which was

approved by the entire Cabinet.

Here is one particular example. Some savings had been worked out, but the Treasury was still demanding another £200m. There had been an approach from the Australians about the new aircraft carrier HMS Invincible. The Government was anxious to get back into the business of selling carriers and related equipment abroad. So it was agreed to meet the Treasury demand by selling the Invincible to Australia for some £175m.

Mr Nott says that he wanted to keep it, though admitting that some of the military advice which he accepted was that itespecially in the Tory Party and

Mr Nott was unlucky. He was the closing speaker in a highly emotional session and was howled down, not least from

his own side. (The speech does not read too badly.) Yet afterwards, when he and Lord Carrington, the Foreign Secretary, went to meet Tory MPs, his luck changed. It was the Foreign Secretary that they turned on. Lord Carrington is said to have decided on the spot that he must resign and the announcement duly came two

Mr Nott learned the news on the Whitehall grapevine shortly before it broke. He responded by telephoning No 10 Downing Street and saying that his own letter of resignation was on the way. He was ready to go, but admits that he did not really expect the offer to be accepted. if only because it would have meant too big a Cabinet reshuffle at a time of crisis.

defence. Anyway it was the sale the Falklands exercise. of the invincible which sowed gave one appailing televisi more seeds of trouble to come, performance, trailing behind financial years. Mrs Thatcher during her "re- Early June was early days: in the Navy lobby—sometimes joice, rejoice" remarks after the full evaluation of the losses called the retired Navy lobby. the recapture of South Georgia. has still not been made. Also, Mr Keith Speed, the Navy In the House of Commons he the £500m figure does not in-Minister, had already resigned was faltering. He also took the clude the cost of the garrison. in protest against the naval run-down. There was a rising swell the defence correspondents and because no one yet knows how of opinion against Mr Nott in the Ministry of Defence over the large the garrison will have to the Tory ranks. The culmina- coverage of the campaign, Some be. tion was the outbreak of the of the sniping at him came Faikland crisis, not only from Downing Street. because Britain was forced to

This week, however, 1 This week, however, he seems

to have decided to go down the defence budget if the Infighting, possibly even to survive. Mr Nott has taken the persuaded his Cabinet colleagues to agree to the publicathe House of Commons Select tion of the 1982 Defence Committee on Defence on Wed-Prime Minister at which it was equipment that would draw on accepted, in general, that the lessons of the Falklands defence replacement costs of experience.) the Falklands war would be borne by the Exchequer without prejudicing the 3 per cent

Australia, as political pressure initiative in two ways. First he in the Tory Party now seems to dictate. (Mr Nott suggested to Estimates as prepared before nesday that the Australians the Falklands crisis. Second he might be attracted to order a went public after a meeting brand new carrier from a with the Chancellor and the British yard plus all the latest By going public on the

Government's commitment to meet the replacement costs, the increase in defence spending or Defence Secretary seems to be

He seems to have decided to go down fighting, possibly even to survive

existing programmes in any pursuing two aims. One is to way. The Defence Secretary said that that was a firm agree-

It was a daring act, for the Much of the rest is well- replacement costs of the cam-The Defence Secretary paign are by no means estabbecame ex-officio a member of lished. As of early June, they the inner Cabinet conducting are put at around £500m in the Faiklands exercise. He 1982-83 and perhaps £250m in

joice, rejoice" remarks after the full evaluation of the losses

The other item which is not included is the £175m or so ship with a replica. Yet there which will have to be found for is more to it than that.

stop being messed about when it comes to the annual review of ublic expenditure, rather as he believes he was after the defence review last year. Mr Nott hopes that the Treasury will be obliged to stick to the commitment, almost whatever the cost. He is perfectly well only in principle, that it was uncosted and that the Treasury will seek to claw back. But he has tried to pre-empt.

The other aim is rather more subtle. The replacements for the Falklands losses, he said. will not necessarily be on a "like for like basis." In one sense that is a truism. It would foolish to replace an old

There was already an argument going on, even before the Falklands crisis, about placing orders for new ships, essential problem is that, under Mr Nott's defence review, the number of ships will be run down before new vessels are commissioned Some of Tory critics says that this decline in numbers will be positively dangerous. The Defence Secretary's response seems to be that that is a risk worth taking, if the country can get the right ships in the future.

The particular argument is about frigates - the existing Type 22 and its designated sucthe Type 23. As this week's defence estimates state: the move towards the next generation of frigates—the Type 23—"reflects our policy of replacing ships rather than undertaking mid-life modernisa-

The Type 23 would smaller, cheaper and more all-purpose than the Type 22, but the point lies in the eq it could carry. It would be a simple platform for weapons systems. There is a plan for an Anglo-Italian helicopter which would go on board and which would be designed to hunt, find and destroy submarines, all in the same mission. It is worth noting in passing

that, for all their prowess in throughout the Falklands expedition the British forces never even located any of the main Argentine submarines. The Hermes, the Invincible, the QE2 were potentially prey to submarine attack at any time. be much easier to order more more quickly because the yards would be familiar even with a Mrs Thatcher remain comrevised version. The first Type mitted.

23 would be unlikely to be ready

It would also be easier to go for more Type 22s under the way the present financing of Defence Ministry spending works. The money tends to be allocated on a year-to-year basis.

If it is not spent, it is claimed back by the Treasury.

Mr Nott is under strong pressure to announce orders for more Type 22s next week, prob-ably during the defence debate. since there is some money in this year's budget. He cannot yet amnounce orders for the Type 23 because the preparaions have not been completed.

That is what lies behind some of his more cryptic statements of the past few days. He intends to resist the pressures to go for more Type 22s and to use some of the Falklands replacement money to go for yet more Type 23s in the longer term though whether he will' get away with it is enother place the new orders until to-: " wards the end of the year.

There is the wider point of sticking to his original defence review. Mr Nott insists that it would be naive quickly to recost policy in the light of one totally unususi sad unlikelystose re peated campaign in the South"

The verities stand. These an that the principal military threat comes from the Soviet Union, mainly on the central front and the northern flank of Europe. It would be politically and militarily undesirable to cutback on British forces in Germany, and would not necessarily save any money.

The air defence of Britain is so thin that it is better not to: talk about it. Thus, given her forencial constraints, if cuts have to be made they had best talkon the Navy. The best way of to make the Navy more cisteffective in future.

There Mr Nott's case seems to rest. His political future is uncertain. He has been heard to say—though one should be sceptical whenever politicians talk in this way—that he would not mind outiting politics altogether. Alternatively, he could be moved to another

Possibly the best development of all would be for that to happen and for a new Secretary of State to come in and reach the same basic conclusions as Mr Nott's defence review. For Mr Nott, despite an engaging if at times infuriating personality. does phave some defects. He has a very low boiling point.

More important, he is clearly not ready to tackle the central question of defence expenditure. which is why costs rise so fast and why expenditure is not better organised. He is not ready either to seek reform of defence tasks through Nato. The most likely successors are The trouble is that it would Mr Michael Heseltine and Mr Peter Walker. Whoever it is Type 22s. They could be built might even have a new look at Trident, to which Mr Nott and

Men & Matters

Board game

In pursuit of ICI's expansive ambitions to make the whole of Western Europe its home market, chairman John Harvey-Jones, a Social Democrat, has recruited a leading West German Chrisian Democrat to the company's board. Walther Leisler Kiep, the

CDU's former treasurer and a man long tipped as finance minister, or even Chancellor, if the party came to power, joins ICI as a non-executive director as next month.

He is the first German to be appointed to the board and

only the second continental European. Unilever vice-chairdirector from 1974 until his Ride east death in 1976. man G. D. A. Klijnstra was a

Kiep will bring with him an invaluable and wide range of experience in politics, finance and business—and some good contacts in the U.S. where ICI is also intent on boosting sales. Tail, suave and good-looking —he has been a bit unfairly described as the West German Michael Heseltine—and with a passion for high-powered motorbikes, the 56-year-old Kiep is managing director of the insurance group Graemann and Holler. He is a former director of Volkswagen and currently on the board of the Bank of

Montreal.
But it is as a politician since 1965 that Klep has achieved public prominence in Germany. A former finance minister of Lower Saxony, Kiep was until a couple of month ago, among the foremost figures in the Conservative opposition in the

Bundestag. He was then chosen to step up the CDU's challenge to Helmut Schmidt's shaky government in the spring state elec-tions by leading the battle to

Kiep overturned the SPD's fame, made his money from a vote, has now been excluded majority in a victory which, it department store in Toronto, was widely forecast, would called Honest Ed's. Even though hasten the end of the Government. But he did not achieve enough votes to break a politi-

Hamburg.
Much of Kiep's success was attributed to his appeal to the voter's pragmatism—an appeal that extends across party lines. was sufficiently impressed by it with food as well as entertain area, intent on securing their to appoint Kiep three years ago ment, Mirvish built three establishment area are referred to Chancellor Schmidt himself his special representative in arranging financial aid for Turkey through the OECD and and glass, a seafood restaurant IMF.

cal deadlock that still bars him

from the office of Mayor of

On the basis that a good tale will stand re-telling, I draw upon "Travellers' Tales" column of the Far Eastern Economic Review for this guide describing to English-speaking visitors the pleasures available at an amusement park in Kobé, Japan. The rides on offer include the

devious Polyp, in the arms of which, says the guide, "you will be in a state of stupor by unique motions of an octopus paws."
As for the Tagada: "You are jumped as if you are a parched sesame seed by a dancing flying-Still in one piece? Then move

on to the Rock'n Roll: "After you ride on a can, you are brandished and inverted." I have always admired the traditional Japanese toughness. but in this instance, I'd rather stick to candyfloss.

Honest Ed

The Old Vic is likely to get a fresh face thanks to its new owner, Ed Mirvish of Toronto,

the composer subsequently upped his bid to 5600,000, the Old Vic goes to Mirvish because the new bid missed the deadline.

The Canadian's rise to riches continued when he took over Toronto's Royal Alexandra Theatre — which like Mirvish. dates from 1910 - and redecorated it in suitable taste. Keen to provide his audience. ment, Mirvish built three estab-lishments nearby — a colourful

dive full of ornamental potteryand a snack bar.
Unusually for a theatre man,
Mirvish likes to be in bed by
10 pm: When I called on him
in Toronto, he invited me to a

matinee at the Royal Alex, rather than the evening per-It is not known precisely what plans he has for the Old Vic. although he believes he may have to spend more than film to restore it

According to Andrew Lee administrator there, the Old Vic is ready to open any time, although it is a bit shabby.
But he adds: "If you have an audience which is used to the Barbican and the National, then they expect the very bishest standard of luxury." To reach that, he says, could take six to nine month.

Outsider

A new tendency is apparent in the Parliamentary Labour Party: a growing disposition among MPs to turn a collective cold shoulder on brother backbencher and former junior industry minister Leslie Huck-

Aiready distinguished as a tions by leading the battle to Canada.

Mirvish, who bought the even the kindly Michael Foot hold of Hamburg, Schmidt's theatre for 5550,000, curbidding has expelled from his front political birthplace.

Andrew Lloyd Wabber of Cats

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from meetings of that closely-knit group, the North-West region's Labour MPs.

Huckfield has been MP for Nuneaton since 1967 but, anticipating the removal of his seat in parliamentary boundary changes, recently got himself adopted as candidate for Wigan. But Wigan, too, it has been decided, will also disappear from the parliamentary map.

And other Labour MPs in the own places, are refusing to recognise Huckfield's presence

in the North-West.

All the political signposts for the unfortunate Euckfield now seem to be marked "exit." It is confidently expected that he will be ejected this autumn from the seat he has occupied on Labour's national executive for the past four years.

Wrong track

While railwaymen wrangled over their future yesterday, a rather less well known union dispute came to an acrimonious Derrick Fullick, president of

Aslef, was somewhat piqued when the Sun ran an article last May alleging that during a TUC meeting he told Len Murray, the TUC leader: "I'll pick you up by the braces and drop you down a lift shaft." Claiming that he aimed his threat not at the innocent Murray but at Sid Weighell, general secretary of the NUR, Fullick proved his point in the

High Court.
Yesterday, The Sun apologised and agree dio pay legal costs. But there is still no love lost between Weighell and Fullick When asked what his relationship was with his comrade, Fullick replied: have no relationship."

and many British

Companies are still in the dark about Luncheon Vouchers

Technology changes. People's needs don't, A midday meal is as vital today as it was 35 years ago -when luncheon vouchers were first introduced. Since then, 35,000 companies have realised

that LV's are as beneficial to them as to their work force. They tell staff daily that the company values them. They're cheaper to install than a staff canteen and far easier to run. They ensure that staff get the energy they need to work well throughout the day. And remember the tax advantages.

Find out how the Luncheon Voucher scheme can work for you and your staff. Don't stay in the

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FINANCIAL TIMES SURVEY

Friday, June 25 1982

Italian Engineering

Despite severe handicaps Italian engineering is prospering. Last year exports rose by 50 per cent and, partly because of rationalisation, major companies like Fiat and Olivetti are now making respectable profits. There are also signs of a recovery in the state-owned sector.

Hard work and vitality continue

BY JAMES BUXTON

ITALIANS are the hardest controls. Foreign markets are working and most inventive and ngenious people in Europe." That was how Sig Carlo de Benedetti, chief executive of Mivetti, recently explained why, tespite everything, Italy is a degree of growth this year but accessful industrial country. everything." in-

indes politicians of monumenal irresponsibility whose almost very action leads to the state aking on more and more comnitments that it cannot afford; in almost unbelievably ineffici- latter has dropped from 21 to ent civil service which cannot 15 per cent in the past year). idminister those commitments: ind the consequent accumulalike lebt which starves the private meagre order books, reduced between the lector of credit for investment production and low albeit often and fuels inflation.

> sconomy belatedly faced up to recession and businesses were level of more than 2m or 11 per forced to concentrate on exports, cent of the workforce and the the engineering industry inper cent in a dramatic improve-ment on a poor export perform-nce in 1980. The prevalent unemployed. impression, in an industry that ranges from the private sector high public sector borrowing colossus of Fiat to family concerns making advanced machine L70,000bn (14 per cent of GDP) tools or mechanical hoes, con- this year against a target of tinues to be one of vitality and L50,000bn if nothing is done to

The nomic background is poor borrower pays 25 per cent for & Although exports grew impressmoney. In consequence only the sively last year, imports have shot up this year with the end- Fortunately though, companies ing of nine months of import have responded by running

... wa Lines

1.23

generally weak, especially in the Opec countries which have long been important for Italy. There are signs that the Italian economy will show a small if so it will be the result of excessive internal stimulation of the economy by uncontrolled public

have its own consequences for

both the balance of payments

and inflation (even though the Such growth as may occur will not be enough to correct an of a staggering national alarming situation of frequently improving profitability in many Last year, when the Italian parts of industry. Unemployment stands officially at a record system of state-subsidised lay-

-set to approach ndustriousness, stop it—are very high interest Nevertheless the general eco-rates. The average corporate most desperate borrow heavily.

The consequences of a very

down stocks rather than cutting fixed investment, the rate of accumulation for which last year stayed at about 20 per cent.

finally on the point of bringing in new measures to hold down both the deficit and internal consumption—measures made more urgent by the devaluation of the hira by 2.75 per cent in the European Monetary System (EMS) on June 12 last. But such measures have come to little in the past and the great rifts in the ruling five-party coalition, plus the expectation of early general elections, do not make prospects very good.

Traditional

In structural terms Italian industry has the task of making the best of what might not look a very good hand. Just as Italy still draws much of its econonic strength from textiles, clothing, and leather-industries which ought theoretically to be very vulnerable to growing competition from the Third World but which continue to flourish—the Italian engineering industry continues to pursue fairly traditional lines like the making of cars and tractors, the construction of bridges and dams. In his recent annual report Dr Carlo Ciampi, Governor of the Bank of Italy, pointed out that the proportion of Italian exports made up by high technology products was the same last year as it had been

That Italian companies have not moved en masse into high technology products is partly the result of the failure of governments to lead by way of orders, a clear strategy and intelligent use of funds-as demonstrated by the disaster of the state telecommunications

have had to stay competitive ance is made for only 10 per upturn arrives. in sectors which in other councent. tries have sometimes

allowed to decline.
They have also had to do so in the face of almost permanent credit squeeze, highly protective labour legislation and a high degree of wage indexation; even last year real incomes rose by 3 per cent. The first response of industry to the increasing unmanageability of large plants and companies, which became progressively more obvious from the beginning of the 1970s, was to farm out more and more manufacturing work to small suppliers less affected by the restrictions and able to operate more efficiently. industries, such as machine tools, are mainly in the hands of small companies which happen to be imaginatively managed by men well

familiar with export markets. Just as Prato, in Tuscany, was once the home of a few large spinning and weaving companies but now has 10,000 small ones, so the industrial map of Italy is being redrawn to show many medium-sized towns few foreigners have heard of where a mass of medium and small companies concentrate on a single main industry. Places like Lumezzano in Lombardy are becoming better known for

making plumbing equipment, as is Reggio Emilia for farm machinery, Maniago in the far north-east for cutlery, and Laveno, north of Milan, for hand tools. In such towns the further one

goes down the scale of company size the more informal they become, so that the medium/ small industrial sector merges imperceptibly into the submerged economy-which may industry, now belatedly being make up as much as 30 per cent it should be well placed when success by Sig de Michelis—no

sorted out. Italian companies of GDP, though official allow- the long-hoped-for

sation" of industry was going on in the late 1970s the large companies tended to keep going as best they could, relying on devaluation of the lira to restore their competitiveness. But that expedient came to an end with Italy's entry into the EMS in 1979. Last year, despite two devaluations, Italian net average competitiveness only three per cent.

Restructuring

In mid-1980 Fiat, facing a grave financial crisis, pleaded with the Bank of Italy for a devaluation but was sent away steel, chemicals and, until last empty-handed. The company then embarked on a drastic big companies in 1980 accounted restructuring policy involving for 60 per cent of the three the shedding of surplus workers and the tightening of management control. A strike by the unions in the autumn of 1980 was a resounding failure and the company's productivity, levels of absenteeism and effi-ciency have since improved drastically and are back to near the European average. Last year company claims to have made an operating profit for the first time in three yearsthough it has still not worked out how much it was.

To some extent Flat was only following in the footsteps of Olivetti, which started the same process in a less dramatic but equally effective way two years earlier and is already making respectable profits. It has been followed by tyre-maker Pirelli and Montedison, the heavily loss-making chemical concern. It is too early to say that Fiat has become a healthy company again; what one can say is that

There are even signs that the large state industrial which employs about workers, is reviving, even though last year it made a record loss of about L4.000bn and has debt estimated at more than L30,000bn. The appalling financial performance of the three holding companies — IRL ENI and EFIM — masks the existence within them of some remarkably healthy companies of different sizes — Ansaldo, Snamprogetti and Italimpianti are three examples from the engineering field. Performance of good concerns is dragged down by the huge losses of the year, telephone sectors. Five big companies in 1980 accounted

The minister responsible for the state shareholdings, Sig Gianni de Michelis, has been pursuing about as tough a policy as the political realities allow. He has reorganised some of the individual sectors, such as telecommunications and aerospace, obtaining a more rational structure and to some extent new funds. The disaster areas like steel and chemicals have also received attention. He has pushed through too a series of agreements between the state sector and its private sector counterparts, which almost inevitably are in the Fiat group. to stop wasteful competition and, at least in the case of steel, to take heavy loss makers off the private sector's back.

The losses of the three holding companies are likely to be rather less this year than last but the recent crowing of

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turers brace themselves for

petition

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White goods: appliance makers fight to retain hold on European market plant: exporters

bank on their having the technological edge

ENGINEERING TRADE BALANCE

	Imp	orts	Exp	Exports	
	1980	1981	1980	1981	
Machinery and equipment	6,610	7,575	11,858	<u> 15,</u> 165	
Precision mechanical products	2,924	3,666	1,909	2,340	
Transport equipment	7,953	9,537	7,646	9,782	
of which: Motor vehicles	5,030	5,776	2,989	3,274	
Other products	1,273	1,402	3,787	4,882	
Total	18,762	22,181	25.202	32,171	

tions in mind- is grossly premature. The bad sectors, notably chemicals, are far from recovery and the reluctance actually to shed jobs in any numbers in the state sector is strong that one cannot expect a radical transformation. Many of the solutions involved require the disbursement of yet more money, adding to the indebtedness of companies which are already overburdened by financial charges. Taking the worst loss-makers off the private sector's hands would be a mixed blessing if it failed to do any more than increase the state debt-and so rise in Italian labour costs-in keep real interest rates at

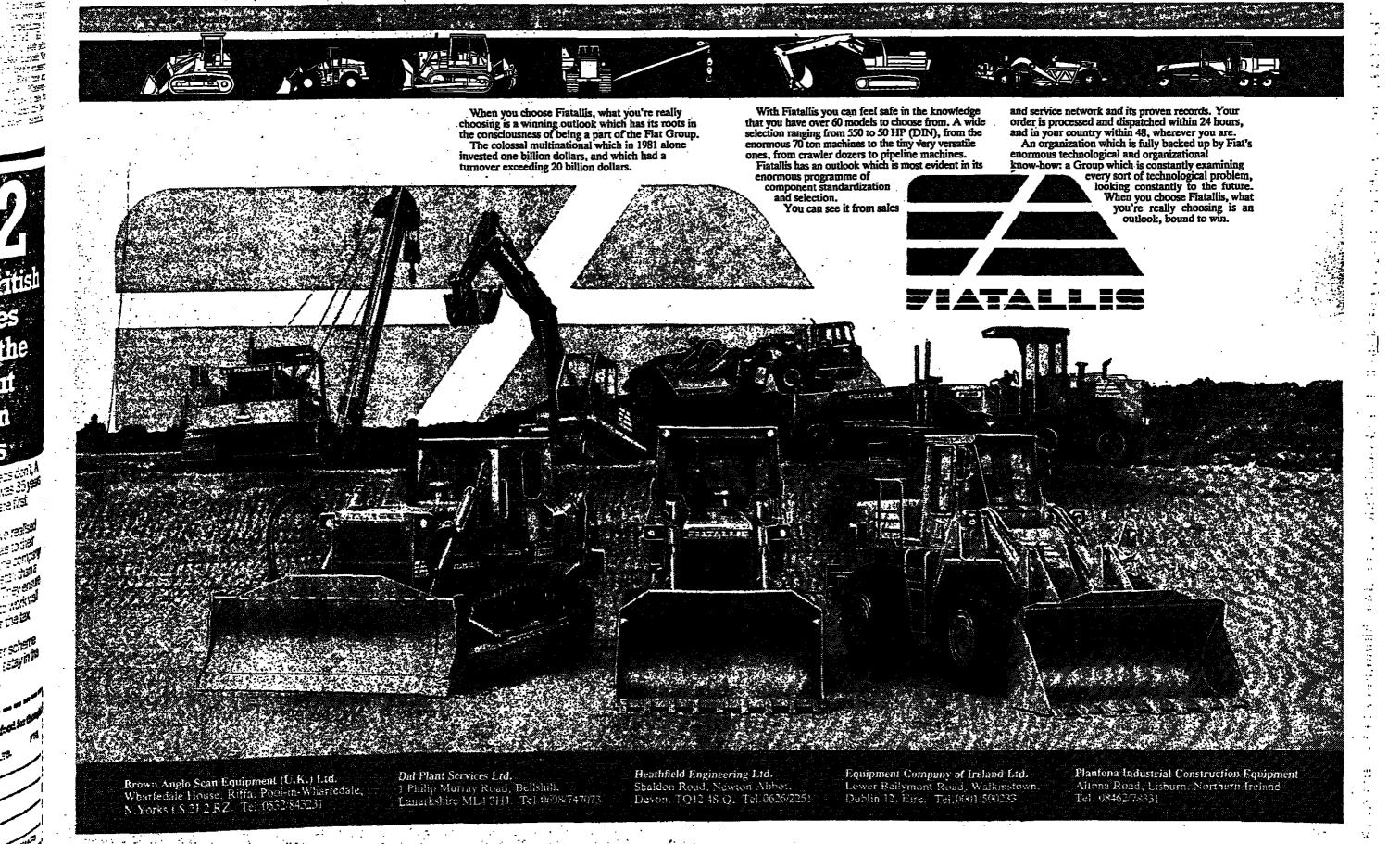
But an important reduction industrial costs appears to be on the way. From next economy to fiscal measures and February employers in the pri-

astronomic levels

doubt with electoral considera- tainly in the public sector, will no longer pay the full wage mobile indexation system. The private sector announced this early in June. to the anger of the trade unions which appeared to be surprised at the long predicted move.

Even though the unions have

been united and even galvanised into response by the employers' move—and there are risks of a difficult winterthe chances are that an agreement on a reduced form of indexation wage slowing down of the inexorable many sectors the highest in Europe—to the erosion of differentials and to the increasing unresponsiveness of the vate sector, and almost cer- negotiations will be painful,



THF falls by £1.9m midway

A DISAPPOINTING first quarter for hotels, catering and leisure group. Trusthouse Forte has been reflected in a fall in profits for the half year to April 30 1982 from fl-im to fl2.1m pre-tax. However, trading is ahead of last year and with this improved trend continuing, the group looks forward to a good second six muntis. The greater part of the year's profit is always produced in the second half of the THF

financial year.

The net interim dividend is being maintained at 1.5p per 25p share—the previous year's total was 6p on taxable profits of £52 3m (£66m).

For the period under review the group's performance in the UK has been strong, particularly in the London luxury hotels where results are 30 per cent ahead of last year. Provincial hotels also showed an improve-

During the first half however sales overseas were generally affected by economic conditions

Despite this, total group trading receipts advanced from £364.6m to £401.9m for the half year, while gross trading profits rose by £1.8m to £38.2m. Depresions was up from £11.1m to ciation was up from £11.1m to £14.5m. with the increase attributable to the improvement and development of the group's

assets, the benefits of which are beginning to show.

Commenting on the higher charge, the board says that the group has had a heavy capital development programme over the past two or three years, spending more than £100m a year.

"We felt this was the right time to do it—in an economic downturn. We will be slowly turning the tap off now."

Although heavy spending will

Although heavy spending will continue and the Post House hotel chain is continuing to be developed, capital spending is expected to be lower this year.

Interest charges for the six months were £0.3m higher at £11.6m. Tax took £3.1m (£3.8m) and with minorities accounting for £0.4m (£0.6m), the group's net attributable profits showed a £1m enduction to £5.6m. £1m reduction to £8.6m.

The board reports that after a "very sticky" first quarter, the trend has been very good for the industry, particularly in the manber of Americans coming into the U.K. From the American tourist point of view, the rise in the value of the dollar has helped by giving them an effective discount.

"If this trend continues and the economy is coming out of its downurn, things could look bright," the board concludes. See Lex

UGI leaps to £3m

THE FREDERICK PARKER

GROUP PLC

(Manufacturer and supplier of plant for producing crushed and graded stone, mixed asphalt and concrete. Hiring and servicing

Unaudited interim statement

Half year ended 31 March

Profit before taxation

Profit after taxation

Earnings per share

Trading Profit before interest

Points from the chairman's comments:

Good results for the first half year.

Cash position remains strong and interim

dividend is increased to 1.5p (1981: 1.0p) net per

Results for the year are expected to be similar to

The Company's Shares are traded on The Over-the-Counter

Market. Details of this market together with copies of the

full interim report are available from Investment Bankers

M.J.H. Nightingale & Co. Limited, 27-28 Lovat Lane

MORGAN STANLEY INTERNATIONAL

KANSALLIS INTERNATIONAL BANKS.A.

May 20, 1982

IMPROVED PRODUCTIVITY brought about by reorganisation them as a normal deduction from in the previous year—led to an pre-tax profits.

86 per cent jump in taxable During the year the group's profits at United Gas Industries, from £1.65m to a record £3.07m. in the year to March 30 1982. Turnover of this gas appliance

manufacturer, however, slipped from £51.7m to £46.7m, due parily to the closure of two companies in the previous year, the depressed economy and a concentration by the group on products it makes most

efficiently.

With a rise in earnings per 25p share from Sp to 13.6p, the final dividend is being increased to 4.55p (3.5p) net, making a higher total of 5.95p (4.9p). Taxable profits were struck (£811.000) severance payments to former employees of £415,000 (£594,000). In the previous year the later charge was included in extraordinary items below the ito; the directors say they have changed the accounting treat-

ment because they severance payments

scene" and thus they regard

During the year the group's net cash position improved by £3m, due mainly to the reduction of working capital through greater efficiency.

Looking to the year ahead the directors say the group is experiencing strong competition, more especially from overseas companies. However, they see the future with confidence, taking into account the improve ment in the year under review and the better cash position. The pre-tax profits included income from short-term deposits

of £32,000 (nil) and from invest-ments of £4,000 (£55,000). Tax took £1m (£1.19m) and after depreciation of £691,000 there was an extraordinary (£684,000), interest payable of credit of £149,000 (£1.85m debit) for tax relief on 1981 closure and reorganisation provisions. This left attributable profits of £2.22m (£658,000 losses)

Preference dividends took £90,000 (same) and ordinary dividends £865,000 (£713,000) treat- leaving a retained balance of feel £1.26m (£386,000 after transfer have from reserves of £1.85m to cover occome part of the "industrial extraordinary debits).

1981

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990

454

433

K. J. Parker

19,280

£000

24,535 2,058

2,005

1,415

Overseas expansion lifts Scapa to £13.6m

THE BEST-EVER results were reported by Scapa Group for the year to March 31 1982, says the directors, with a 46 per cent rise directors, with a 46 per cent rise in pre-tax profits from £9.28m to £13.59m. Sales for this maker of engineered fabrics for the paper industry, felts and other specialised industrial fabrics, moved ahead by £16.49m to £100.1sm.

The directors are confident that the group will enginee to

that the group will continue to progress atthough in the current year increases in profit will be much more difficult to achieve. The North American subsidi aries took full advantage of opportunities in their major business sectors. Helped by the strengthening dollar, pre-tax profits rose by 81 per cent and sales by 56 per cent. Other oversess subsidiaries also pro-

overseas subsidiaries also produced useful increases in profits. An analysis of sales and operating profits shows: UK £35.98m (£40.35m), £1.88m (£3.1m); North America £3.04m (£3.1m); Norm America 233.04m (£34.11m), £11.83m (£6.64m); other countries 11.08m (£9.16m), £1.65m (£1.54m). The dividend has been raised

from 6.55p net to 7.1p with an increased final of 4.1p (3.75p). Earnings per 25p share are given as rising from 16.4p to 21.1p. At the interim stage pre-tax profits rose from £4.19m to £6.82m and the directors were confident that results for the full

Pre-tax profits were struck after reduced interest costs of £1.75m against £2.03m.

The UK tax charge rose from £838,000 to £910,000 and overeas from £3.63m to £5.82m. After minorities reduced from F74,000 to £19,000 and lower extraordinary debits of £954,000 against £1.51m, attributable profits emerged higher at £5.78m compared with £3.23m. On a current cost basis pre-tax profits were £10.48m and earn-

ings per share came to 11.3p.

comment

For the fourth year in succession Scapa has recorded falling UK profits and advances in North America. But this year the 78 per cent rise in American operating profits, with help from the mighty dollar, enabled Scapa to produce a record sales and pre-tax performance. Rationalisa-tion has again been necessary in the UK, with about 300 redundancies and the scrapping of some obsolescent products, and the company expects to arrest the decline in UK profits this year. Scapa's pleasure is tempered by apprehension about the effects of the U.S. recession, though the sterling-dollar rate has recently moved decisively in its favour. Operations in S. Africa and Australia suffered a downturn in the last quarter, but overall registered an improvement over the previous year. Capital gearing is about 40 per cent, a figure which Scapa conresults the shares gained 4p to

Imasco sees continuing strong growth

139p, yielding 7.5 per cent on the increased dividend.

Imasco, the major tobacco products, fast food, retailing and food manufacturing group owned 49 per cent by BAT Industries expects to counter the recession successfully in the current year ending March 31 1983. Paul Pare, chairman, told the annual meeting he would be dis-appointed if Imasco did not

achieve a 20 per cent gain in per share earnings. For the first two months of this year the pattern of strong

growth in revenues and earnings set in 1982 continued. Last year Imasco, which has 40 ner cent of its assets in the U.S., earned C\$119.5m (£53.35m), or C\$5.56 a share, against C\$89.5m on sales of C\$2.19bn

Mr Pare said the fast food, drug store and food manufactur-ing operations were continuing to do quite well though some retail operations were feeling the impact of the recession. Tobacco products might slow down because of tax and manu-facturing cost increases. However, Imasco is confident

nouncement appears as a matter of record only.

U.S. \$25,000,000

Kansallis-Osake-Pankki

Floating Rate Capital Notes 1989

The placement of the Notes has been arranged by the undersigned.

All further income received by the date of unitisation will be distributed in the form of a second interim dividend. with maintain its 50 per cent

Redland down by 7% at £43.5m—UK profit held

IN LINE with the estimate of £43m given in April at the time of the offer for Cawoods, pre-tax profits of Redland totalled £43.51m for the 12 months ended March 27 1982—a 7 per cent reduction on the previous year's £46.76m. At the half-year, taxable figures were down 9 per cent at £21m.

Total sales of the group, which

Total sales of the group, which supplies materials and services to the construction industry, rose to the construction industry, rose from £515.17m to £572.13m. However, conditions within the construction industries of the UK. West Germany and the U.S. remained depressed during the year and volume declines were experienced in all principal activities in these countries.

The 11 per cent gain in sales value overall reflected growth in Monier's activities in Australia and its acquisition of Rocla. In addition, favourable movements in exchange rates increased the sterling value of overseas sales up 16.5 per cent to £263.83m.

As forecast, a same-again final dividend of 4.67p per share maintains the total payment at 7.34p net. Stated earnings per 25p share rose marginally from 15.93p to 16.02p, after elimina-tion of minority interests and because of a lower average tax charge on the wholly owned

With Cawoods Holdings now a subsidiary of Redland, the board reports that the new financial year for the combined group has commenced favourably in the UK, with major activities in the construction field all showing

Overseas, however, there are no signs yet of recovery in either Germany or the U.S. while in

After briefly reviewing events in the financial markets Lex comments on the interim report from Trusthouse Forte. Trading profits are up but after heavy spending on the capital account and elegant investments in the Savoy, depreciation and interest charges are higher and pre-tax THF is down to £12.im, against £14m. Prospects are looking better, for the second half. The column then considers the annual report and accounts published by Contanida yesterday which show that the group has shaken out almost all it can from working capital and is at last getting the benefits of a strong cash flow. Redland reported a seven per cent decline in full-year profits to £43.5m yesterday. Lex comments and then reviews the position of the castings industry in the light of the figures

Australia the benefits of the to £165.76m. A 14 per cent rise Rocia acquisition have still to be in associates' profits to £12.46m (£10.9m) included increased pro-Profits from the overseas sub-Profits from the overseas subsidiaries fell by 25 per cent to
£17m. This was largely
accounted for by Breas & Co. in
West Germany, where a sharp
fall in new housebuilding
severely hit profitability in the severely hit profitability in the roof tile sector. Conditions also deteriorated in the U.S. but the principal subsidiaries just managed to wade profitably.

Profits in the UK were ahead by 9 per cent to \$20.71m, on sales some 13 per cent lower at \$142.54m The main trading operations held their level of profits in face of lower construc-

profits in face of lower construction activity generally.

During the year, the English concrete pipe division was closed and the businesses of Redland

Automation in both the UK and the U.S. were sold.

(£10.9m) included increased pro-fits from Monier in Australia and from operations in South Africa and the Middle East.

An increase in group finance-charges from £5.68m to £6.66m resulted from the cash outflows associated with Redland's in-creased investment during the

year in Monier and a very sub-stantial tax payment in Germany. Total tax was reduced from £21.52m to £19.33m. After deducting minorities of £4.53m (£5.8m) attributable profits £19.44m to £19.65m Extraordinary items took £3m (added £0.15m) and with dividends costing £9.07m (£9m), the retained surplus emerged at £7.58m, com-pared with £10.59m.

In current cost terms, pre-tax profits were £32.19m (£34.01m) 7.41p (6.14p).

Baker Perkins £4.57m higher

A SHARP improvement in the econd six months to March 31, 1982 enabled Baker Perkins Holdings to lift its full year profits from £2.03m to £6.6m at the pre-tax level.

The group incurred a loss of £213,000 (£1.76m) in the first half but the interim report revealed that the value of orders in hand had provided a base for a significant sales increase which was expected to result in a satisfactory profit in the second half.

Full year sales of the group, manufacturer of plant and machinery for the food, chemi-cal and printing industries, expanded from £116.48m to £137.8m, of which the overseas companies contributed £74.99m (£55.48m). Group tracking profits emerged well ahead at tion of sterling, particularly 28.61m (£5.16m), with £3.51m against the dollar, the directors (£433,000) coming from the UK Commenting on the prospects

of a higher level of unexecuted orders, he is looking for an He adds that higher sales, together with the measures

taken during the past two years to improve the efficiency of the group, should enable a further improvement in profits to be The pre-tax surplus was struck after lower redundancy and severence costs of £515,000 £1.03m) and net interest charges

of £1.84m, compared with £2.29m. Included was a share of associate's profits of £337,000

(£189,000).
Tax paid jumped by £2.1m to £3.15m, leaving the net balance at £3.44m, against £979,000.

General Trust

The United States & General

Trust Corporation has raised the net interim dividend from 4p to

5.5p net per 25p share for the year to December 31 1983.

Since the trust is expected to be unitised before the final dividend is normally paid, the board has decided to distribute

most of the net income receivable in the balf year to June 30 1982 and has increased the

US. and

interim.

YOKOHAMA ASIA LIMITED

MITSUBISHI BANK (EUROPE) S.A.

at £3.02m (£176,000) after minority deductions of £21,000 (£106,000) and extraordinary debits of £400,000 (£697,000). Rarmings per 50p share are given as 10.2p (2.6p) before extraordinary items but the dividend is being held at 5.1p

net by a same again final of 3p.
Orders received during the year increased by 25 per cent in value and 7 per cent in volume, compared with the previous year. Although sales increased by 18 per cent in value and by some 2 per cent in volume, the rise was not as great as for orders.

The greater rise in the value of orders and sales, as compared with volume, grose from inflation and the sharp devalua-

Sales in continental Europe continued to grow as did sales for 1932/83 Sir Franklin Braith in North America. At year end waite, the chairman, says that the value of unexecuted orders order prospects generally are was £74m, an increase of £17m Analyses of sales by area

and percentage of total shows: UK £26.59m (£29.38m), 19.3; rest of Europe £29.17m (£23.98m), 21.2; North America £46.17m (£29.61m) 33.5; rest of (£23.98m), 21-2,

£48.17m (£29.61m) 33.5; rescaled the world £35.88m (£33.52m), 26.

The UK companies achieved that further CAD achieved much improved trading profits.

The US. companies had relocation in the US. will relocation in the US.

Australia, France and New ges Zealand earned lower trading profits.

The US. companies had relocation in the US. will relocate the this year, so a return to 1980's find the companies in this year, so a return to 1980's find the companies in this year, so a return to 1980's find the unit relocation in the US. will relocate the companies in this year, so a return to 1980's find the unit relocation in the US.

and printing and other machinery £25.16m (£23.37m) and £2.97m (£759,000).

The extraordinary charge was provision made for moving employees, stocks and machinery from Michigan to North Carolina as part of the pre viously announced relocation of the food machinery division of Baker Perkins Inc. On a CCA basis pre-tax profits

vere £2.81m (£2.4m loss),

comment Baker Perkins has done some what better than expected and appears headed towards further recovery. Severe cost-casting recovery. Severe cost-custing in the UK has pumped up margins in the year from less than 1 per cent to over 5. In America sales have grown by more than 55 per cent; the new high-speed printing machines get most of the credit. The company's investment in computer-aided design (CAD) equipment appears to be paying off handsomely. Thanks to this hitech input, the company's newer products are having few teeth-ing problems and fewer after-sale foul-ups. Although borrow-ings are unchanged at around fillm, the balance sheet is in

machinery £94.94m (£79.47m) and pany's prospects in a state £4.05m (£3.18m); chemical processing machinery £17.7m The yield is 7 per cent.

Tunnel on target

PROFITS BEFORE tax of Tunnel Holdings, now 98 per cent owned by Rio Tinto-Zine cent owned by Mo Tinto-Zanc Corporation, topped the forecast of £16.75m made at the time of the recommended offer by RTZ, and emerged at £16.81m for the 12 months to March 28, 1982, compared with £15.55m previously.

Turnover of the group, ngaged in construction engaged in construction materials and services and

Ansbacher falls to £0.66m

Profits efter tax of Renry.
Anshacher Holdings, merchant banker, fell from £309,000 to £556,000 in the year to March 31 1982, and as forecast at the time of rights issue last February, the year's dividend is being raised from 0.15p to 0.35p net per 5p share.

The directors point out that since the year end the group has been materially changed, both in size and activity, by the acquisition of Seascope Holdings, which is active in marine insurance and reinsurance broking, ship sale and purchase and

ship sale end purchase and tanker and dry cargo chartening. In view of these changes, the year's results have been pre-sented in the manner that will

sented in the manner that will be followed for the bank in future years. Therefore the accounts as presented are mainly of historical interest, and the new group's performance will be more apparent at the time of the interim figures later in the year, they say.

THE TRING HALL USM INDEX 1255 (-0.2) Close of business 24/6/82 Tel: 01-638 1591 BASE DATE 10/11/80 100 specialised chemicals, rose from £107.27m to £148.69m and at the trading level profits came through at £12.91m, compared with £11.16m.

The pre-tax figure and uded shere of profits of associates, amounting to £6.3m (£4.87m), but was after net interest charges of £2.4m (£314.000 received). Tax took £4.47m leaving the net £1.55m higher at

There were exchange gains this time of £34,000 (£214,000 loss) and minorities accounted tes) and individual states with the attributable surplus emerged at £12.03m (£10.56m).

Stated earnings per 25p share improved to 50.9p (43.8p) but no final dividend is being paid. The directors said in their interim report that in normal circumstances they would have recommended a final of not less than that paid the previous year. RTZ acquired a 39 per cent plus stake in Tunnel when it purchased Thos W. Ward and subsequently bid for the balance in March this year.

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Renold holds payment at 2p

FOLLOWING RETTER results in the second half of its finan-cial year Renold, manufacturer of power transmission products or nower transmission products and machinery, has maintained last year's dividend with a final payment of 2p net per £1 share. The interim and the previous final were both omitted.

Mainly because of UK losses in the first sty mention the street.

the first six months, the group-ended the year to March 28 1982 with a pre-tax defict of \$1.77m, compared with £2.95m profits previously. Of this loss, some £1.46m was incurred in the first External sales for the year

slipped back from £127.09m to £122.25m. At the trading level, the group made profits of £4.68m. the group mase promis or 2.05m. (25.41m.) but these were wiped out by higher interest charges of 25.4m (25.47m.).

The bulk of the reduction in trading profits was attributable to UK operations where losses of 25.84m profits) were to 25.84m profits.

of \$558,000 (£2.84m profits) were insured. Overseas companies profits dropped by £0.5m to £5.27m. The result was after charging depreciation of £3.64m (£3.75m).

The beard says the results for the year reflect the very low levels of demand for mechanical engineering products. This has been a feature in many expensions.

been a factor in many economies, particularly Europe and North America, because of the wide-spread recession in manufacturing activity.
High interest rates have had

significant adverse influence on these market conditions and contributed both directly and indirectly to the company's reduced level of profitability. In the UK in particular, the trading results have also been depressed by the consequences of short time working and temporary dislocation arising from the further actions taken to adjust the company's opera-tions to lower level of demand. improved productivity showed through in better results in the

latter part of the year.

It is not expected that there will be any significant improvement in demand in 1982-83, but the actions taken should result in an improved financial performance.
Attributable losses for the year increased from £1.24m to

54.14m, after tax of fi.41m (fi.67m), minorities (£1.67m), minorities and preference dividends of 281,000 (£95,000) and extraordinary debits of £0.88m (£2,42m). The ordinary dividend again costs

Stated loss per share was 8.1p, before extraordinary items, com-

tax losses came ti £6.70m (£4.27m).

Borrowings in the TK have been reduced and while those overseas have increased in sterling terms, this is partl due to the fall in the value of sterling the fall in the value of sterling against other currencies, barticularly the U.S. doilar.

At the year end, UI bank overdrafts and advance; were down from £14.15m to 9.69m, while overseas, the figure were higher at £10.35m (£23m).

Loans increased from £3.53m to £27.74m.

Green shareholders' unds

Group shareholders' unds amounted to £83.54m (£86.8m). Fixed assets totalled £5,37m (£55,09m) and net current sets were £58.8m (£57,42m).

comment Renold continues to strugts. The UK business moved intuite stamped out the improvement.

Property sales (including Repld House) have kept a lid on borrowings, but at nearly £4m against shareholders' funds of they remain a maor Efforts to whittle down WOILY. stocks have only wrung £1.m out of the UK business, lit Repold's new computerisd Repold's new computerisd system might provide better results this year. The compan's workforce has shrunk by moe up overseas contributions by boil so prospects for the current year look less bright. Chance for a return to pre-tax profit ability this year do not look good. The shares at 394p (par value is fi) yield nearly 7.6 per cent. Market capitalisation is f15.9m.

Whatlings improvement

Whatlings, the civil engineering and building contractor, experienced a rise in pre-tax profits to £167,000 for the half year to March 31 1984 against £131,000, though turnover was sharply reduced to £10.5m from £14.46m last time.
Interim dividend par 25p share is 1p net (nil), alsorbing £40,000. Last year an interim payment of 1p was madein iten

of the inal.

After tax of £17,000 (ni), net profit works out to £30,000 (£131,000), while earning pershare are stated at 3.75p (£28p)

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recession, an advance in trading profit of over £2.2 million was achieved in 1981.

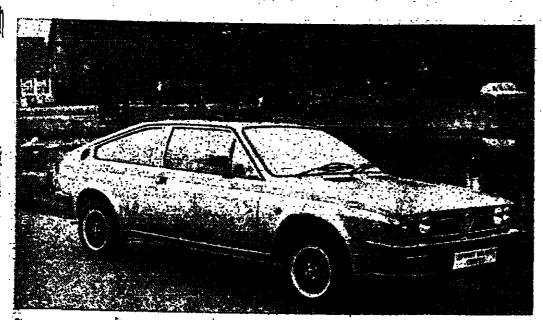
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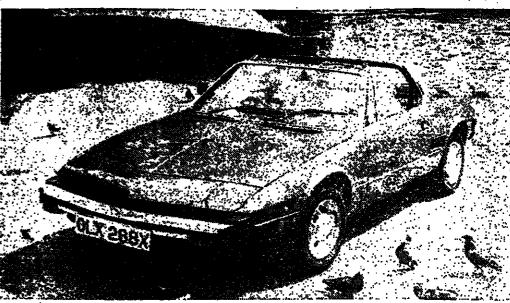
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Manufacturers prepare for fiercer competition

Motor industry

WORDS of scant encouragement appeared at the end of the 1981 Hancial statement issued recently by Fiat, Italy's largest car manutacturer, which, with Ats subsidiaries Lancia Autobianchi, accounts for slightly more than half of all vehicle registrations in the

It said: "The recovery of major European car markets seems further off than it did just a little while ago. We may therefore expect even fiercer international competition, which in turn will place still greater pressure upon us, in terms both of productivity and efficiency." The words are as concise a summing up as one could wish of the state of the Italian motor industry, the third largest in Europe, and fifth in the world

dividends.

Last year Fiat claims to have

been in the black on an operat-ing basis, after losses of close on

ing basis, after losses of crose on L200bn in 1980—elthough the results issued last month pro-vide little clarification. The car division, Fiat Auto, on its own lost L2545bn largely through problems in Brazil and Argen-

tina. Steel and earth-moving

equipment also contributed sub-stantial deficits. Yet the group

insists that its first ever consoli

dated accounts, to be released later this year, will show an overall profit, maybe of about

This year promises to be another uphili struggle. The

extraordinary buoyancy of the

In April Fiat's share of total deliveries declined by barely 42 per cent, compared with an

on the small-to-medium rang

the still fast-selling 127 was to

reported that deliveries of cars

In the meantime Fiat

quarter of 1982 to 378,000,

the 1970s.

after the U.S., Japan, West Germany and France. The unmistakeable message is that, despite the notable efforts by Fiat, and now to a lesser extent by Alfa Romeo, the publicly-owned No. 2 producer. to put their houses in order,

much remains to be done if the country is to emerge from the present difficulties with a lean, fficient car sector.

meant that foreign manufacEven so there is no concealing turers, themselves under presefficient car sector. the astonishing improvement in the fortunes of Flat in particustepped up their efforts. lar, over the past 24 months.

In mid-1980, the group seemed poised precariously at the top of British Leyland had fallen a 1981. Its hopes are pinned in decade earlier. good measure on the new "Tipe Productivity had sagged to 20 per cent or more below the early in 1983. First is banking levels of its major European

competitors; quality controls were poor, the model range looked inadequate, and constant strikes with the unions merged into real warfare on the streets of Turin with left-wing terrorist

In the summer of 1980, the once again the group is the market leader in Western Europe, with 13.5 per cent of company pleaded in vain with the Bank of Italy for a lira devaluation, to help restore its foreign total sales

markets. The monetary authorities refused, and the Fiat counter-attack began. That autumn it pushed through plans to lay off 23,000 men for 18 months, with little attempt to hide the fact that their jobs will never, in all probability, return. The turning point was the march of the 40,000" through The turning point was the march of the 40,000 " through central Turin, of Fiat managers and union members demanding an end to the 35-day strike which had paralysed output from mid-September. Today the productivity can has been made. certain that 1981 will have seen a deterioration from 1980 when the company, controlled by the Finmeccanica division of IRI,

the state conglomerate, lost L74bn. productivity gap has been made op, new models have started to appear, and a large L5,000bn (\$4bn) five-year investment plan has started to yield its first

1982 its home market share has France's Peugeot to develop been running at about 7 per jointly a new engine, of which cent, against 6.5 per cent in 1m units a year would be pro-

duced in the mid-1980s. The hard times have not Alfa, of course, has embarked entirely been without benefit. Upon a much more controversial The realisation that neither international collaboration ven-L74bn.

Fiat nor Alfa could afford the ture, with Japan's Nissan to operations near Naples), will be
The weakness of foreign squabbling of the past helped assemble 60,000 vehicles a year well over 300,000 units a year,
markets led to a 5 per cent fall push the two into considering by 1985 (80 per cent Alfa, 20 although output for 1982 is unin sales in volume terms last joint ventures for major comper cent Nissan by parts) by likely to reach 200,000 units.

When it is completely on stream, Alfa's total capacity (including its troubled Alfasud

by launching this year the Modena firm's new bi-turbo A direct competitor of AMa up to 500,000 jobs in Italy. Earlier this year a new L1,500bn and BMW, this high performance coupe is priced (for the

fund for technological innovatime being at least) at only L20m. A Maserati therefore The plant of the new ARNA company is under construction near Aveilino in Southern Italy.

The plant of the new ARNA industry will be among the principal beneficiaries.

For motor enthusiasts inside is now within the range of the ordinary man's pocket. Sig de Tomaso, who also runs the Innocenti firm, aims to more of 1982 is perhaps to be found elsewhere. Alejandro de Tomthan triple Maserati's turnoves this year to L75bn, assuming a sales target of 5,000 units is aso, the flamboyant Argentinian entrepreneur, is carrying met. out his promise to revive the flagging fortunes of Maserati,

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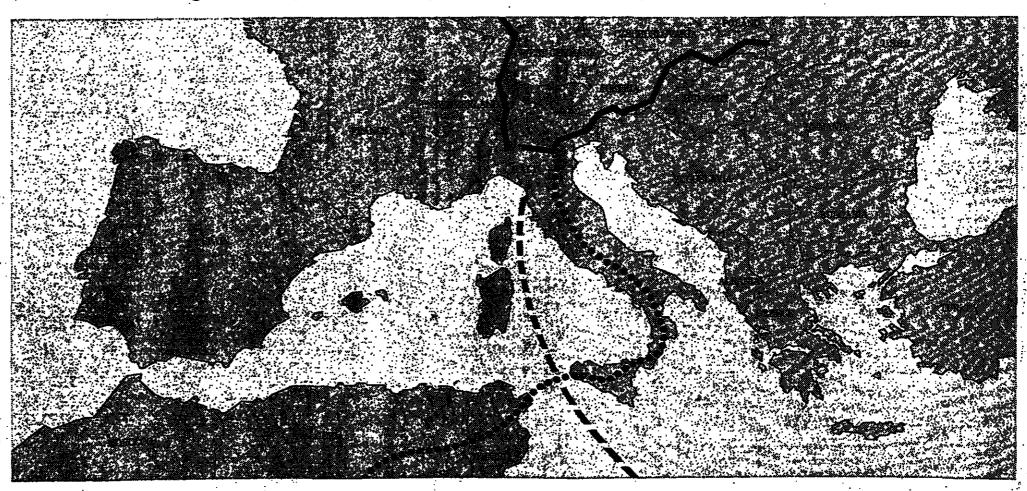
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Tractor sector stays buoyant

Farm equipment

ALTHOUGH 1981 was not a involved, Italy has a thriving agricultural machinery and tractor industry and about half the tractors made in Italy are

Italian. For the past three years

Italy is also an important producer of combine harvesters small, especially those making good year for all the companies and other implements. Further down the scale other companies. medium or small, make selfpropelled cultivators and handdriven machines for work on and smalleasant farms

The country is well suited to it has had the largest single an industry of this type. Apart share of the whole European from Flat Trattori, which employs about 12,000 people, the companies are relatively

"peasant" implements. Another important factor is that Italy has a vast range of various types of agriculture. There are said to be one hundred large-scale, Northern Last year the leading pro- holdings. About 100,000 power European type farms in the where a small motorised impleducer, Flat Trattori, expanded hoes and 40,000 power mowers. Northern plain, with small ment makes all the difference, its share of almost every Euro- are produced every year and Mediterranean-type farms in the All this means a diverse home. holdings. About 100,000 power European type farms in the

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with his works.

berries, though grape vines and reached L760bn in the first 10 olives are usually of primary importance.

Whether in the rich, well-Romagna or on the outskirts of Naples, there are thousands of that of the big North American tiny market gardens and smallholdings, often run by factory workers in their spare time, where a small motorised imple-

Nearly every possible crop is technical experience for exfrom wheat to straw- ports. Tractor exports alone months of 1981.

In the tractor market, Fiat Trattori, a subsidiary of the organised farmlands of Emilio- vast Turin-based vehicles group, has had a different history from guson, International Harvester and John Deere, and it is now profiting from their financial weaknesses, both in Italy and

It believes that part of its success against Massey Ferthe world's largest producer of tractors, is due to a big investment programme which began after the company became a separate entity within the Fiat group. It replaced its entire line of tractors, begin-ning in 1974, and is now highly competitive.

Another factor that has helped Fiat Trattori against the multinationals is that all its production is centred on Modena in north-east Italy and not surred across several not spread across several countries. It can therefore easily adapt its production system to new models. The consequence is that both farmers and agricultural machinery dealers, parhaps discouraged by the bad publicity the North American concerns the North American concerns have received, have tended to switch significantly to Flat.

Third biggest

For example, Flat's market in France rose last year from 12.5 to 13.6 per cent, making it the third biggest company on the market with annual sales of more than 7,000 machines.

Yet all this has been expansion in a declining market. The European tractor market fell from 365,000 units in 1976 to only 264,000 last year, but Flat's share of this market rose from 10.9 per cent to 14.2 per cent over the same period.

With its important outlets verseas, selling complete or component kits made in Italy, Flat succeeded last year in keeping its sales of tractors and kits in line with the 1980 figure at about 71,090. The company nearly trebled its profits to L15.4bn in sales of

Even so, Flat's largest single market is Italy itself, and its significance for the company is that even though it declined overall by about 17 per cent last year it was still the largest in Europe. Last year the com-pany increased its share of this market, in which 55,000 tractors were sold, from 33 to 36.8 per cent.

SAME tractors at work. The company is Italy's second biggest tractor manufacturer and has 14.1 per cent of the domestic market

MAIN TRACTOR MANUFACTURERS

	No. of trac	tors sold	(Lbn)	Profit
Fiat Trattori	1980 75.935*	1981 76.9287		181 1981 124 15.4
SAME group	33,269	28,500	382 4	65 5.0‡
* Including 15,921 1	dts. † Includ	ing 24,286 k	its. : ‡Ap	proximate.

built up its position through a remarable arrangement with the agricultural consortia, the net-work of farmers' purchasing cooperatives which are closely related to the big farmers organisations. The company sells only through the consectia, which have 3,000 branches in the 8,000 municipalities in the

A farmer wishing to buy through the consortia has no choice but to buy a Fiat-except in the German-speaking areas of south Tirol, where the Austrian maker Steyr is also sold.

The arrangement allows Fiat to sell its tractors more competitively than it could if it had to maintain a large sales organisation of its own. The other Italian tractor com-

panies admit that Fiat has a big advantage but say it just makes them try harder. "Our people start selling when the Fiat men have gone home for the day, says Sig Pietro Recanati, manag-ing director of SAME (Italy's econd-biggest tractor manufac-

It is based at Treviglio, near Milan, and has 14.1 per cent of the Italian market, to which should be added the 8.2 per cent of the market held by its sub-sidiary, Lamberghini.

The SAME group is a privatelyowned company which in 1980 claimed to be the sixth biggest manufacturer of tractors in the Italy is to concentrate more

Fiat was the first Italian com- world. It has a long history and pany to manufacture a tractor claims to have made the first claims to have made the first diesel-powered tractor in the world in 1927. It also succeeded in reproducing its own hydraulic system which enabled it to avoid making the Ferguson three-point linkage under

Air-cooled engines

Its engines, which it manu-factures itself in a new plant at the back of its Treviglio tractor factory, are all air-

While Fiat's sales in Italy fell by ? per cent last year, the sales of the SAME group fell by about 15 per cent. The fall was bad for SAME, which is more heavily concentrated on the Italian market than Fiat. Half its sales are abroad, against Fiat's 70 per cent.

But both SAME and Fiat claim to have profited from the difficulties in the Italian market of foreign companies such as Massey Ferguson, Ford and John Deere. Massey Ferguson sales fell 23 per cent last year, and those of its Italian subsidiary Landini by 15 per cent.
Landini had 8.4 per cent of the
market last year and Massey
Ferguson only 3.4 per cent.

The foreign companies blame high prices and the dollar/lira Northern European exchange rate for their difficul workers now expect al ties last year. Massey Ferguson's response in

Italy those of its own lines which are less successful. The manufacture of heavy Massey Fergusion machines has been transferred from Italy to West Germany.

But the Italian tracter makers face the same problem as other European market showing sign of maturity and uncertain prospects elsewhere. There is, of course the prospect of a further advance of mechanisa-tion in the poor south of Italy.

But for the most part the attention of sales managers is turning towards the developing countries, with their under-mechanisation and allegedly high economic potential. Fiat for example; already has important markets in Pakistan, Turkey, Nigeria and Argentina

These new markets are fraught with economic diffi-enlties, however. A further problem is that the type of tractor suitable for developing countries is simpler and has fewer attachments than the European model. It is no but has considerably less value added.

With the tractor market pros pects far from encouraging sales are down again this year the competition is becoming fiercer. Much research is being deveted to the development of more efficient equipment not forgetting the con sound-proceed cabs

James Buxton

Waiting for state aid to Athenes tel. 6725467 - Amsterdam tel. 178795 -São Paulo tel. 8534842 - Barcelona tel. 3020508-Toronto tel. 3642269 - Stockholm tel. 225000 reach the statute book Johannesburg tel. 8365978 - Sydney tel. 9222677. because shipbuilding here carfor several years. The earnings attractive in the future. Such ries relatively less economic were modest—L2bn on sales a trend, however, has yet to weight than, say, in Britain. RIZZOLI-CORRIERE DELLA SERA

Shipping

ITALY'S HARD-PRESSED shipbuilding industry is anxiously watching parliament. On June 2 the Senate finally ratified a long-promised Bill to provide L48bn (\$37m) in the form of soft loans to encourage the country's shipowners to enlarge their fleets in the next few

This measure, which clearly will be of benefit to the shipyards, is merely a starter. On the same day the Upper House began its examination of much more important legislation drawn up under the Government's plans to revive the shipbuilding sector. The measures have been in abeyance for several years, but now there are cautious hopes that, politics a possible government crisis permitting, they could be on the statute book before the summer recess with broad backing across the political spec-

Thus, the industry maintains, an end would be put to the present anomalous situation whereby Italy is the only EEC country which does not give national aid to its shipbuilders.. Broadly the draft Bill gives

substantial aid to the industry to enable it to lower prices it quotes for contracts by between 10 and 22 per cent, and thus put Italian shipbuilders back in a position to compete with their

ciation believes that if the law is passed, L400bn of new orders might be placed at once, with the prospect of a further L350bn in the medium term.

Such manna cannot come too. soon for the industry. Like its European counterparts, it has been ravaged by the enduring crisis of the 1970s. Orders have dried up and employment has fallen to little more than 30,000 today. The decline would have been worse still had it not been for the device of the "Cassa Integrazione," or statesubsidised lay-off. If the public impact of the squeeze has been less in Italy, then that is only

weight than, say, in Britain.

In 1980 total completed tonnage of merchant ships represented only 1.9 per cent of the world total, against 2.9 per cent for West Germany, 3.3 per cent for Britain, 13.8 per cent for the community as a whole, and 46 per cent for Japan.

None the less, the contraction in the market has forced a cut in merchant shipping construc-tion capacity to 240,000 tonnes from 360,000 in 1974—and this, it is pointed out, in the absence of any coherent government programme or financial sup-

Apart from the common difficulty of competing with Japanese and other East Asian yards, the Italian industry has specific drawbacks of its own Persistent labour problems have not helped its reputation (although hopes are high that a 1981 agreement with the unions could see an improve-ment). Meanwhile, the impor-tant repairing sector suffers fierce competition from lowercost countries closer to home, notably Yugoslavia (which has eaten into the prosperity of the major shipbuilding centre of Trieste), and Malta.

IRI-controlled

The results of the sector speaks for themselves. Fincan-tieri the holding company controlled by the state conglo merate IRI, and which accounts for 80 per cent of the industry. a posmon to compete with their foreign rivals — including the lost L232bn in the year to Japanese who hold close to half of the world market, and their European rivals.

Until it is passed, customers clearly will hold off orders: but the Netional Chipogeners associated by the winderlying the period of the including the lost L232bn in the year to including the i the National Shipowners Asso- able) but the underlying position is substantially the

Fincantieri's overall perfor-

mance marks sharp divergencies between its merchant shipping activities and the military side. In 1980, for example, its two biggest specialist subsidiaries in merchant shipbuilding, Italcantieri and Cantiere Navale Breda, lost L83bn and L75bn respectively. Cantieri Navali Riuniti (CNR) which has been given chief responsibility for the group's military side, lost a meagre L5bn. Last year, moreover, brought better news still. CNR achieved its first profit

biggest single shipbuilding concern in the country. However, they reflect the relative boom being enjoyed by the military side. The Italian navy is undergoing a major modernisation programme, while Italy is reckoned now to be the largest single supplier of warships to countries outside Nato and the

Its successes have been

underlined by the order from Iraq for 11 vessels, including fraq for 11 vessels, including four Lupo-class frigates and six corvettes. The bulk of the total \$1.8bn order will go to CNR. The only worry now among senior Fincantieri executives is that the Falklands conflict, which has mercalled an empany. which has revealed an apparent vulnerability of surface warships to air-to-sea missiles, may make its products less

The underlying auxieties of the group, and indeed of the smaller private companies outside Fincantieri, such as Nuovi Cantieri Apuani (the largest non-Fincantieri yard) remain as acute as ever. Its demands of the state, on which its future depends, make familiar reading for anyone conversant with the problems of publicly-owned industry here: help for new orders to boost capacity utili-sation and financial help to reduce crippling debt servicing charges.

No one is under any illusion that the next few years will be anything but uncomfortable. but Italy's shipbuilders reckoo that after the sacrifices of the past decade, they are entitled to some help at last

Rupert Cornwell



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Credito Italiano

Balance sheet highlights as at 31st December 1981:

Loans and advances in lire and other currencies

of which: Reserve fund for possible loan losses

Capital and reserves (on approval of the Accounts)

Lit. 222.2 billion was appropriated for depreciation and other provisions,

provided by the partial utilisation of the existing reserve fund

Securities deposited with the Bank

The Shareholders' Meeting also confirmed

sible losses on securities and the revaluation of our foreign branches' capital funds.

The Accounts for the year ended 31st December 1981 were approved by the Shareholders' Meeting

which was held in Genoa on 27th April 1982 under the Chairmanship of Mr Alberto Boyer,

1981 closed with a net profit of Lit. 37.5 billion, from which a 14% dividend will be paid to

the shareholders (last year: 12%), while Lit. 15 billion is to be allocated to Reserves.

of Lit 122.1 billion was taken from ordinary income sources, while Lit 175 billion

and the Balance Sheet values were adjusted. The value of the investment in securities was reduced by Lit. 297.1 billion to reflect current market values. For this purpose an amount

> Mr Aldo De Chiara and Mr Giorgio Galbiati in their offices of Auditors and nominated Mr Roberto Grossi and Mr Michele Palasciano Alternate Auditors.

The Board of Directors, which met after the Shareholders' Meeting, confirmed Mr Alberto Boyer in the office of Chairman, and Mr Sergio Forenti and Mr Leo Solari Deputy Chairman. The dividend is payable at all branches of Credito Italiano, and at Banca Commerciale Italiana, Banco di Roma, Banca Nazionale del Lavoro, Banco di Napoli, Banco di Sciilla, Istituto Bancario San Paolo di Torino,

Monte dei Paschi di Siene and Banco di Santo Spirito, from 18th May 1982, upon presentation of the share certificate coupon No. 20. Frida; June 25 la

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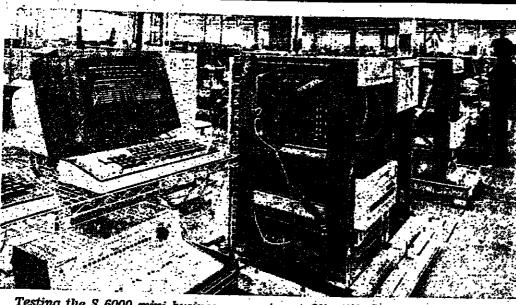
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ITALIAN ENGINEERING V





Testing the S 6000 mini business computer at Olivetti's Scarmagno plant and (right) Sga Narisa Bellisario, managing director of Italtel, probably the most highly-placed woman in world telecommunications

Planning a new strategy for telecommunications

Electronics

ITALY IS finally acting to build new telecommunications industry out of the ruins caused by the follies of past governments. If the new strategy works it will be a major boost to the electronics industry, which, despite having one of the most successful large companies in its field in Europe, Olivetti, is still relatively small

The country came late to the need for an improved telecommunications system based on electronic switching and for a data transmission network with all the different "telematic" services which it entails. It has plan which at least gives it a past, fractious and even sub-serious chance of being an versive labour force, and the important telecommunications equipment exporter at the end of the decade. The plan entails spending L30,000bn. The biggest telecommunica-

tions equipment maker in Italy is the state-owned concern Italiel. The other major companies are the subsidiaries of the Swedish concern Ericsson, of ITT and of the U.S. company General Telephone and Electronics (GTE), and the highly successful Fiat subsidiary Telettra, which alone accounts for half of Italy's telecom-

munications equipment exports. The troubles of Italtel go back, like so many things in modern Italy, to the optimism of the economic miracle of the 1960s and the reluctance of governments to face up to the distressing realities thereafter. To fulfil the demands of the slogan "a telephone for everyone" Italtel (then called Sit-Siemens, incorporating the German concern nationalised in 1945) more than trebled its workforce from 8,000 people in 1968 to 30,000 in 1979. Neither the organisation of this labour force, put to making obsolescent electro-mechanical equipment, nor the management of the team researching electronic switching technology, were

good enough. Then from 1974 onwards the progressively Italtel's main customer, the SIP, which runs the main telephone system, by refusing it adequate tariff increases in a highly inflationary period. The consequence was that in the two years 1979 and 1980 SIP lost about Li,000bn (\$777m) and Italtel's real turnover dropped 30 per cent from 1976 to 1980. It was only then that the Government began the long process of seeking to resuscitate the two enterprises and plan a more realistic telecommunica-

tions strategy. SIP was finally

allowed to make big tariff

increases — it will now be at believing that it would have fear that if this definition is present authorised increases greater, if more risky, export not changed soon a national until at least April 1983. It was prospects with GTE (Italtel data transmission network will recognitalized and abbaired a believing that it would have fear that if this definition is recapitalised and obtained a hopes to export a quarter of new management. It is now its turnover by 1990). Ericsson, planning to step up its investment, clear the backlog of people seeking new telephone connections and introduce new last year rose 35 per cent to

culties, but those of Italtel are technology.

Labour force cut

In a year, however, the labour force has already been cut from 30,000 to nearly 25,000, despite the great difficulties of shedding jobs in the state sector, and the is still high but is dropping noticeably.

The next task is to develop new products. The Irotco system of electronic exchanges, devised by Italtel, has had some successes and is already in operation but is considered badly in need of refinement. After much contemplation Italtel has decided on a co-operation venture with GTE to develop a new electronic exchange of the second generation. Telettra has now joined this venture and the three companies are working out how best to pool their respective talents in the new research effort.

The objective is to devise a large-scale all-electronic ex-change to be in production by the middle of the decade for the Italian market, and which, with the help of GTE, can be marketed abroad (outside the North American Standard area). Italtel chose GTE rather than

L219.5bn and whose profit, It still faces serious diffi- though very modest, went up 57 more daunting. It too has been Proteo is a breakthrough into the six per cent of group sales in recapitalised and received new domestic switching market. The 1980. It sells PBXs under per cent to L1.6bn, the new recapitalised and received new domestic switching market. The management, including the company has had great successes appointment of Sga Narisa in Italy and abroad with trans-Bellisario, formerly of Olivetti, mission technology, but despite as managing director, and demonstrating its knowledge of probably the most highly switching by installing an placed woman in world telecomexchange at Khartoum in Sudan, munications. Its domestic it has failed to break into major market has been revived, but it faces enormous losses—some are usually meagre anyway ex-L268bn on sales of L704bn in cept on large market scale. The finally devised and approved a 1981—a bloated and, in the company has the great advanpast, fractious and even sub-tage of having always been versive labour force, and the involved in electronic techtechnical and managerial nology and having the sense of problems of converting from identity of a private sector electro-mechanical to electronic group originally founded by one man (later taken over by Fiat).

Italtel is also to expand its presence in telematics through the manufacture of PABXs (private automatic business exchanges) and machines for teletext, videotext and other ser-vices, for which it has established a new plant near Naples. target of 21.000 for 1985 is For the moment, however, the half-way achieved. Last year market prospects for such deoutput per employee jumped 46 vices in Italy are limited by per cent, with the help of state uncertainty over plans for a

The telecommunications system in Italy has traditionally been divided between SIP, which comes under the ministry shareholdings (also controlling Italtel through the holding IRIstet) and the Ministry of Posts, which has an agency named ASST which handles most long distance calls, all telex and the transmission system. The contrasts in efficiency between the revived parastatal SIP and the ministerial ASST have lately become more obvious, and politicians have increasingly accepted the need for an ond to the system of divided re-

However a recent new defini-tion of the roles of ASST and SIP does little to improve matters, dividing the network for new services unrealistically into a primary and secondary one, and reserving most of the types of services for the dynamic ASST. Experts

DOMESTIC PRODUCERS (Lira bn)

				Technical	
Italtel II	RI-Stet	503	704	breakeven	-268
Telettra F	lat	162	219.5	1	1.6

be slow to get underway and private concerns will move in, semi-legally, and start providing services, not necessarily in For Telettra, whose turnover an efficient way from the nat-last year rose 35 per cent to ional point of view.

Olivetti is only slightly involved in telecommunications -the sector accounted for only licence from the Canadian company Northern Teleco and is to start manufacturing them under licence. It is however develop-ing a teletext machine. Its main strength, however, is in data processing equipment, now accounting for more than half of group sales, and office products. As the electronic revolution spreads, the two categories will become increasingly blurred. Already Olivettis fastest selling product, the electronic typewriter, which will eventually put the electro-mechanical one out of business, bestrides the divide,

Transformation

The electronic typewriter, which Olivetti claims to have been the first to invent, was the product which led the recovery of its fortunes after the arrival Sig Carlo de Beneditti as chief executive in 1978. As Olivetti has expanded in accounting and business systems and terminal and data entry, so Sig de Benedetti has guided a transform-ation in the financial state of the company, which now has little debt and makes reason able, though far from brilliant

keep ahead of, or at least up with, its competitors, and this it partly does by a policy of acquisitions of stakes in small, mainly American high techno-logy companies. Olivetti recently joined other data processing companies in bringing out a personal computer.

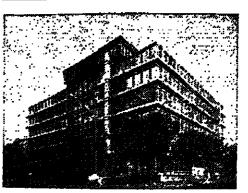
Elsewhere in the electronics field large computer manufac-turing is dominated by IBM, while the state-controlled companies Selenia and SGS-Ates are developing fast: the latter, the only semi-conductor maker in Italy, is to be the first non-Japanese company to manufac ture Toshiba integrated circuits under licence. tronics sector—outside Olivetti -remains, however, relatively small, partly for historical reasons: the past weaknesses of the state sector and its strategies, and the absence of major scientific university tradition.

Another factor is the weak ness of Italian manufacturers in the field of domestic appli-ances of electronics, such as televisions and video recorders.

James Buxton

A TRADITION IN **ENGINEERING**

Projects currently underway in: The German Democratic Republic, The People's Republic of China, Singapore, Saudi Arabia, Pakistan, Sweden, Algeria, Nigeria, Egypt,



There is no denying that CTIP — Compagnia Tecnica incernazionale Progetti SpA — (a company in the BASTOGI Group) has a long and respected tradition of high quality engineering.

Founded in Rome in 1934, CTIP played a leading role in the growth of the Italian petroleum industry. After the last war it was closely involved in the reconstruction of the country's oil processing industry and subsequently designed and built many of the units in the series of new refineries that were constructed throughout Italy in the 1950s.

As a result of this experience the company was one of the earliest European engineering firms to move into the international field where it soon began to be awarded contracts to design and build single units and entire complexes in all parts of the world by the

Later on, like most large engineering companies in the sector, CTIP began to diversify its field of activities to include petrochemicals, chemicals, biochemicals, pharmaceutical, food processing and indus-

trial plants in general. CTIP, which has its headquarters in a single office block in the EUR business district of Rome (half way between the city centre and the airport), has currently more than 700 employees on its own payroll, including engineers and specialists of every sector, technicians, draftsmen, computer experts, etc. Moreover, when the need arises, it can also call upon external resources, with which it has preferential links, for the services of a further 300 highly qualified

CTIP can supply the complete range of engineering services starting from an initial feasibility study up to the final delivery of the operating plant to the client; including all the intermediate services such as process and mechanical design, procurement and expediting, construction supervision, plant start-up and training of the client's operating personnel.

At the present moment CTIP is handling projects in the following countries: the German Democratic Republic; the People's Republic of China; Singapore; Saudi Arabia; Pakistan; Sweden; Algeria; Nigeria: Egypt and, naturally, Italy.

Some of the more interesting current projects are briefly described

NEW METHYLAMINE PLANT FOR THE GERMAN **DEMOCRATIC REPUBLIC**

INDUSTRIE ANLAGEN IMPORT has recently awarded CTIP a contract for the modernisation and expansion of the methylamine production facilities in the WALTER ULBRICHT petrochemical complex at Launa near Leipzig. The new units, based on knowhow provided by LEONARD (USA), will produce 4,500 t/y of high CTIP's scope of work also includes the expan

sion of the related offsites, and the overall investment value of the project is more than

IMPORTANT PROJECTS IN THE PEOPLE'S REPUBLIC OF CHINA

CTIP is presently in the final stages of depotia-tions with the Chinese Authorities for a series important projects in China, These negoti tions are related to various contracts and to a



CNTIC — Daqing, China — Natural gas treatment (11 units)

exceptionally interesting and attractive for both parties in the future. Apart from the above, CTIP is currently supplying eleven natural gas treating plants to the CHINA NATIONAL TECHNICAL IMPORT CORPORATION at Daqing. This contract entries the supply of advanced tachnology, engineering services and materials

as well as the supply of the services for con-struction supervision and start-up of the plants. The overall investment value for this contract is estimated at over US\$30,000,000.

Again in the PRC, CTIP is realising a variety of clants for the YAN SHAN PETROCHEMICAL clants for the YAN SHAN TESTICAL Polypro-CORPORATION for the production of polypro-pylene carpets and woven bags, BOPP films, glass and mineral relutoreed polypropylene and plastic thems manufacturing plants using polyplants, valued at over US\$70,000,000 are being arected in the Yan Shan Patrochemical Corporation's industrial complex not far from Baijing.

TWO PROJECTS FOR ESSO SINGAPORE

CTIP is now completing two plents for ESSO SINGAPORE. The first contract refers to the engineering and construction services for the expension of lube oil production facilities, and the second concerns facilities for the transportation, storage and loading on ships of sulphur pellets coming from a Humphry and Glasgow

th plants are located in the ESSO Pulau Ayer

POWER GENERATION IN SAUDI ARABIA

CTIP is acting as nominated subcontractor to SICOM—Società Italiana Costruzioni e Montaggi — (a member of the GIE Group), to handle the sering and procurement of the low, medium and high pressure piping, as well as some of the major equipment items, for a thermoelectric power generation plant at Yenbu in Saudi Arabia.

The power station includes 3 x 127 MW units and SICOM/GIE is the "prime contractor" for

LPG RECOVERY PROJECT IN PAKISTAN

PAKISTAN OIL FIELDS LTD. has awarded CTIP and its affiliate CTS — Compagnia Tecnics Siciliana — a contract for the engineering and construction of an LPG Recovery Plant (cap 284 metric tons per day), to be built at Meyai in Pakistan. The plant is valued at USS8,000,000.

NEW UNITS FOR SCANRAFF IN SWEDEN

SCANRAFF-SKANDINAVISKA RAFFINERIET S.A. scannar-skantinaviska harrineris: s.a. has again selected CTIP to carry out the engineering and construction of heat recovery units for the atmospheric distillation, vacuum distillation, and hydrodesulphurisation units in its refinery complex et Lysekil, which itself was originally designed and built by CTIP.

PHARMACEUTICAL PLANT IN ALGERIA

Work continues in Algeria on the large complex for the production of antibiotics that CTIP is building at Medea, near Algiers, for SNIC — Société Nationale des Industries Chimiques. For the design and construction of this complex, the overall investment value of which is more than USS210,000,000, CTIP is using technology and knownow supplied by IBI — Istituto Biochimico Italiano and by SQUIBB & Sons Inc.

PIPELINES IN **NIGERIA AND EGYPT**

CTIP, acting in association with MGNTUBI, is working in Nigeris for the creation of the pipe-line network linking Warri-Keduna-Keno-Jos-Zaira-Gasau and Meiduguri. Furthermore, again In co-operation with MONTUBI, CTIP has been working on the realisation of the Ras-Shokir-Mostorod pipeline in Egypt.

ITALY

Recent CTIP projects in Italy have included the design and construction of an isomerisation Unit for the RAFFINERIA DI ROMA (Union Carbide Process) and various works for ENEL (the Italian State Electricity Authorities) in connection with turbogenerator power generation plants being built at two different locations in

Moreover, CTIP is currently acting as a consultant to Enea (formerly CNEN) for engineering and management services to help the client in his efforts to have the big experimental PEC Nuclear Reactor in the Brasimone Plant completed within the schedule agreed upon with

EXPERIENCE IN NEW TECHNOLOGIES

Plant reliability and process quality have been the key features of Tecnimont since its origin, back in the twenties. The most recent technology Tecnimont has now available cuts by 40 per cent the energy requirement in urea production. It is the Montedison "Isobaric Double Recycle," (IDR) urea process, already fully demonstrated in a commercial plant of Fertimont at San Giuseppe di Cairo, Italy. Tecnimont is an engineering and construction contractor operating throughout the world in the field of process and utility plants.

Engineering Division of Montedison S.p.A. Viale Monte Grappa, 3 - 20124 Milano, Italy

Pirelli cables: made to carry the two most important needs of this century, energy and information.

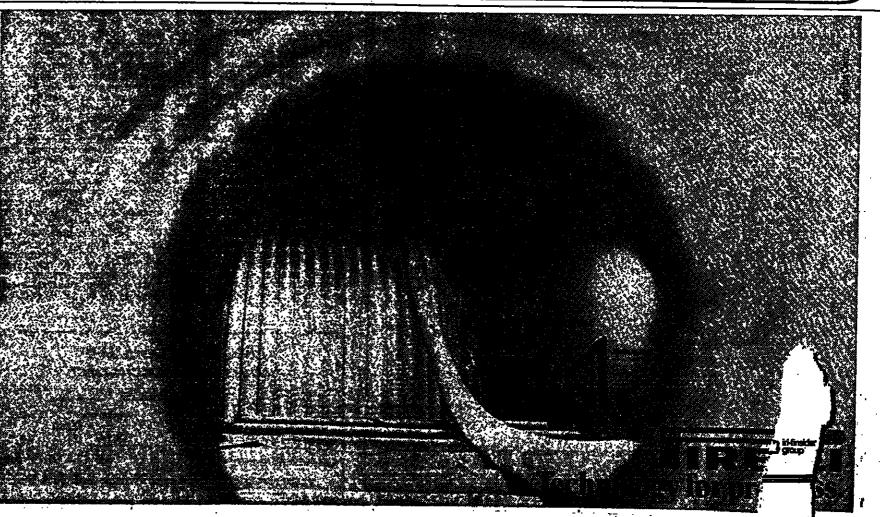
Pirelli has always devoted a great effort to the transport of energy and information; and the achievements are there

For example: 27 kilometres of Pirelli 400 kV submarine cable transporting 1000 MVA across the Straits of Messina, 100 kilometres of 525 kV submarine cable carrying 1200 MV to Vancouver Island; and in the optical fibre field, 17 kilometres of Pirelli cable connecting Rome's city centre with the EUR suburb, and 35 kilometres of Pirelli cables, with a capacity of 12,000 simultaneous conversations, connecting Padua with Mestre in one of the most complex.

interurban connections in the world. In 1981 Pirelli expenditure in cable research and development totalled

over \$ 25 million, with 600 highly skilled specialists.

The Company is a leader in the manufacture of submarine, underground and serial cables for the transport of energy and of urban and interurban coaxial and optical fibre cables for telecommunications. From a technological point of view, Pirelli's cable connections are known to be amongst the most advanced in the world.



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Founded in 1956 as a company for the international trade of the Italian Co-operative Association, Intercoop extended its activities in 1968 to the planning and supplying of industrial plants abroad, creating the ICI division (Intercoop Plants Construction). Thanks to the experience and capabilities of the Italian co-operative

movement, intercoop is present on the international market, mainly as a "general contractor" for the delivery of turn-key plants. It can also extend its tender to the preliminary phases (feasibility studies, etc.) training, and initial management, up to operation assistance

The operational branches are those of the Italian Co-operative Movement (over 3,000 enterprises in different fields with an overall turnover of 15,000 billion lire) particularly the food and agricultural industry, cattle-breeding, building materials, storage and distribution,

The background of the sturdy industrial co-operative with its many years of activity, constitutes a substantial element with a range of references which few firms in the world are in a position to offer. Besides the classical financing operations (supplier's credit, buyer's credit, etc. . . .) Intercoop is in a position to carry out operations of partial compensation, by integrating the plant construction division with its international trade sector.

Intercoop has created food-and agricultural installations in Somalia, Bulgaria, Algeria, while in the Soviet Union plants for timber proing and centres for refrigerated storage have been built. At present intercoop is carrying out a project covering five vast construction sites for mills and pasta factories; also an important programme of technical assistance in the field of light mechanical

Recent agreements will see Intercoop at work in Africa, East Europe, Mexico, China and Vietnam in the near future.

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Producers plead for Government aid

Machine tools

ONE BRIGHT morning last month, a group of 50 Chinese engineers were attending a seminar in English at the smart neadquarters of UCIMU, the Italian machine tool manufacturers association on the outskirts of Milan. The occasion was one of many in a six-week stay in Italy by the Chinese group, during which they were to visit some of the small manufacturing scattered across northern Italy.

In part the trip provides proof f the declared interest of the Chinese in stepping up their purchases of Italian investment equipment, as opposed to con-sumer goods. It is also in its way an eloquent tribute to the success of the machine tools sector in Italy. Since the war it has grown from nothing to become the fourth largest exporter in the world, with West Germany, Japan and Switzerland

Machine tools, indeed, have en one of the success stories of Italian industry in recent years. Its importance today depends less on price competitiveness than on the increasingly high technological content and quality of the tools it produces. The immediate outlook is badly clouded however, by the most serious difficulties the industry

has faced in a decade. One need look no further than the statistics. Last year, despite zero growth in the domestic economy and a steep decline in industrial investment, the sector managed to limit the reduction in deliveries to 3.6 per cent in constant prices, while the increase in current, inflationeroded, lire was over 16 per cent. This year promises to be

a great deal worse.

Preliminary estimates by UCIMU suggest that the inflow of new orders is down by 30 per cent, in other words that the slowdown already experienced by major European producers like Britain and France is starting belatedly to affect Italy as

The worry is, according to Sig Piero Ruffini, UCIMU's managing director, that the turn for the worse — with its con-sequences for both employment and financing—will hit the companies at a particularly delicate moment, when they are being forced to embark on major structural changes,

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To find out more about ARTEMIS in Italy,

METIER MANAGEMENT SYSTEMS

Worldwide, over 350 installations of

dictated by the switch into important East robotics and electronics.

This means that outside support is more important than ever fourth and that support can hardly come from anywhere but the Government. Last month a delegation from the industry paid an have grown. urgent call on Sig Giovanni Marcora, the industry minister,

goal was two-fold. Their Firstly, to secure the sector's inclusion among those eligible for assistance from the L1,500bn (\$1.17bn) fund for technological innovation recently established by the Government. "It is absurd that we are not to benefit from the fund," said Sig Ruffini. After all machine tools are a vital part of the new technology that the Government says it wants to promote."

Competitiveness

The second aim is to secure measures which bolster the industry, not in terms of direct aid to the manufacturers, but by stimulating purchases of new machine tools, UCIMU looks with no liftle envy at the decision by Britain to aid its own flagging machine tools sector, by subsidising new pur-EEC enjoy such advantages

The difficulties stem from the in dollars has led to a severe erosion of competitiveness as so strong, while major foreign markets have been weakened by political factors entirely outside the manufacturers' control.

1981 has dropped from being the industry's biggest single market (with 11.3 per cent of total deliveries) to fourth place last year, with 5.5 per cent. The reason lies in the sanctions and restrictions on export credits imposed on trade with Moscow after Afghanistan and Poland.

Orders have now dwindled to only small machines, which the Russians can pay for in cash. The story is the same in other

markets—for instance Romania. Three years ago it was the fourth biggest single customer for Italian machine tools. In 1981 it was down to 18th as Bucharest's financial difficulties

Even the most encouraging developments seem to be inviting trouble. In 1981, for example, France bought L132bn worth of Italian machine tools. "But how long can the French sit back and watch us in some cases supplient traditional domestic suppliers?" one industry expert demands. If the record of Italian wine, shoe and ciothing exports to France is

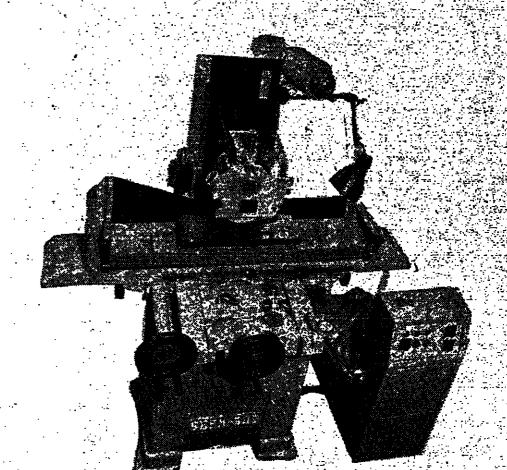
not very long. Nonetheless, nothing is indicative of the quality of in 1981 the three biggest markets were in countries whose markets are among the most sophisticated: France, West Germany and the U.S., between them accounting for 33 per cent of all Italian machine tool

anything to go by the answer is:

All this has been achieved in the comparative absence of large companies. Indeed few chases by up to 33 per cent of sectors demonstrate better than their value. The industry argues machine tools the old wisdom that if direct competitors in the that in Italy, small is beautiful. Total production is spread nationally, then why not for it between some 400 companies (153 of them belonging to UCIMU). Their average turndomestic Italian market, which over is about L5bm, and output takes 47 per cent of total output and from abroad. The habit standards) high, at between of denominating export prices in dollars has led to a severe employs around 36,000 people, but a fair number of the comthe U.S. currency has remained panies have only 25 or fewer workers.

This fragmented structure however, conceals considerable sophistication. UCIMU itself An example is the Soviet offers not only an export Union which between 1979 and marketing service, but also financial assistance to member companies, through a special subsidiary, FINCIMU, All of this dovetails well with the instinctive Italian love of craftmanship, and an entre-preneurialism which flourishes naturally in the small private

"The Japanese tend to go for big production line output," commented Sig Ruffini, "But the Italian will approach the



A small sophisticated surface grinder manufactured by Bermi of Italy. It is marketed in Britain by RK International of Erith, Kent.

MACHINE TOOLS - % change 1980-81 (at current . constant 1981 1980 prices) 904 726 341 305 +24.5+11.9 1,157 1,659 Source: UCIMU Research Department

client study his problem and operating an increasingly then propose a solution. He sophisticated system of buying can offer machines on a one-or- in basic parts which is cheaper two-off basis. Often the owner

for other outside suppliers to of the company is an engineer produce, and then carrying out who will design the tool him-little more than assembly work self."

"In other words,"—says The companies, moreover, are Vittorio Maglia, head of produce, and then carrying out

UCIMUs research department, "you have suppliers who are buying finished machine tools to make parts for other machine tools, for the people from whom they bought the original equip-ment." The recipe is so strange, that even the Germans have come to see how the

But as always in Italy, one can never be sure that improvsation and agility will continue to suffice, as interest rates stay at 25 per cent or more, and bureaucratic delays hold up Machine tool producers may wait a little while before the halcyon years like 1979 and 1980 return.

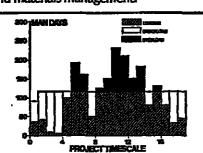
Rupert Cornwell

Large foreign orders dwindle

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Other main offices:- Houston (713) 988-9100, London 01-902 8830, Gouda 01 820-30144 and Aachen 2408-80004. In Italy, ARTEMIS is being used by contractors across a wide range of industries. It provides project information to Agusta and Selenia in the aerospace and defence sector. It has been installed in the Augusta (SR) and Trecate (NO)

Construction

THE FALL in overseas con-1.2.100ba (U.S.\$1.61bn) to L1,000bn is a sobering signal. Just a couple of months could, of course, make the books look much better by the end of the year. The real trouble, however, is that those big orders are now much more difficult to come by than they were in the past. International economic and political pressures are creating difficulties in almost every potential foreign

It is no longer enough to be good at building roads or dams or railways. Nor is it enough to be nice, easy-going people who mind their own business and are prepared to work under dif-ficult conditions. There is now an increasing number of developing countries, South Korea, Pakistan, India, Brazil, which can provide the expertise and the labour to do as good a job and probably a cheaper than the Italians.

In addition, civil engineering contracts are now proving to be dangerously susceptible to delays or cancellation for a number of political reasons.

Overseas orders used to be the solution for Italian contractors and engineering comanies hit by the sharp decline in domestic orders at the beginning of the 1970s. All the big companies, Italimplanti, Condotte d'Acqua, Italconsuit, Snamprogesti, Impresit, switched their emphasis in only a few years from the Italian to foreign markets. In 1970, for instance, Snamprogetti had about 50 per cent of its order book filled with Italian contracts. By mid-decade some 90 per cent of its work came from

This meant good business while countries in the Middle East, Eastern Europe, Airica, Latin America, were splashing out on extensive public works programmes, industrial infrastructure and communication and transport systems. The and not continue sanctions trouble started when the boom among members of the Organisation of Petroleum Countries began to slacken off and a series of quite separate political events Given these market condi-slowed the pace of development, tions it is ironic that Italian of quite separate political events

with the revolution in Iran. probably better placed now to secure new contracts last slurry pipelines for the trans-Although Italimpianti and Con-dotte d'Acqua, both owned by the state conglomerate IRI, Many of the difficulties over work on projects in Libya, Abu sophisticated heating and re-have fared slightly better than insurance and credit facilities. Dhabi, Oman and Ghana. Although Italimpianti and Con-dotte d'Acqua, both owned by the state conglomerate IRI, Many of the difficulties over have fared slightly better than insurance and credit facilities most other European companies have been ironed out thanks to THE FALL in overseas con-struction and civil engineering in Iran, Condotte d'Acqut is administrative streamlining in struction and civil engineering in Iran, Condotte d'Acqut is administrative streamlining in struction and civil engineering in Iran, Condotte d'Acqut is administrative streamlining in struction and civil engineering in Iran, Condotte d'Acqut is administrative streamlining in struction and civil engineering in Iran, Condotte d'Acqut is administrative streamlining in although it faces major payment problems with the Iranian authorities, and Italimpianti believes that its 3m tonnes a year steel mill which is now have been solved. under construction at Isfahan could be in production by the

middle of the decade.

The outbreak of war between Iran and Iraq saw the suspension or delay of a number of projects in Iraq, a market which began to look increasingly attractive as events in went from bad to worse. The loss of work there has been doubly serious for the Italians as the contracts were often used as a leverage to guarante oH supplies.

Libya, which has traditionally been one of Italy's largest customers, is proving unreliable. It is estimated that Italian companies are owed L1,500bn for work completed and goods delivered. Talks between the two countries which were held in Rome during May appear to have ironed out some of the difficul ties. Italy seems prepared to increase its oil purchases from Libya in return for immediate payment of some L800bn in

The present climate in Algeria is not very favourable either for Italian contractors. Continuing disagreement over the price of the gas to be deli-vered to Italy via the transited pipeline means that other con tracts have come under a cloud The great expectations that Chinese market have come to very little. Orders in the Soviet Union are being held up by political and financial diffi culties over the new Siberian gas pipeline. The hostilities between Britain and Argentina are also endangering Italian hopes in South American

against Argentina may give it the edge over rival Common Market companies in future hidding for contracts.

markets although the country's

decision to break EEC ranks

CIVIL ENGINEERING AND CONSTRUCTION COMPANIES

1981 RESULTS

Company ímpresit **IRI** Italimplanti

Profit (Lbn) Broke even

† 1980 results (1981 figures not available until June 30).

terms. Some of the financial and managerial problems which hit such companies Italeonsult, Italimpianti, Condotte d'Acqua in the 1970s

Italconsult was saved from liquidation by a last-minute government decision to take the group, Montedison. It has since managed to divest itself therefore developing a number of contracts for three detergent of new, highly specialised plants in Algeria which it sectors. could not finance, has cut its

Reorganising

Italimpianti, created for the construction of large steel complexes along the

lines of the Taranto works in Southern Italy, is also in a reorganising phase. The company still has its main work in three large steel plants, Isfaban in Iran, Tubarao in Brazil and Seixal in Portugal. It has company off the hands of the realised that orders of this size privately-owned chemical are becoming the exception are becoming the exception rather than the rule. It is

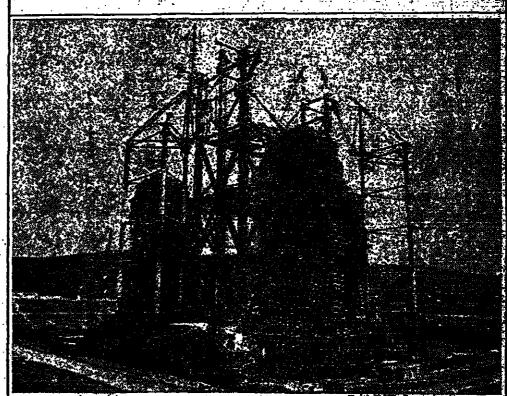
These include engineering

The company has already had orders for these furnaces from France, Germany, U.S. Steel for its plant at Fair-

Engineering for the steel industry still accounts for the bulk of Italimpianti's work but processes for the collection and distribution of coal are becoming increasingly important. Energy saving systems and environmental protection techa vital role in the company's planning for the future. Mary Venturini

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Friday June 25 lb

ITALIAN ENGINEERING VII



An Alitalia aeroplane at the company's Engineering and Cargo Base at Rome's Leonardo da Vinci Airport

Two largest companies battle for leadership

Aerospace

A PROFOUND transformation is under way in the Italian aerospace industry. The process is visible on at least two levels. One is the first concrete result of the Government's attempts to reorganise a previously highly fragmented sector into two broad groupings. The other is the changing role of the manu-facturers from being specialists in essentially marginal, small scale, programmes, to become key participants in several of the largest multinational the largest multinational projects under way for both civil

and military aircraft. The Italian industry small compared with its long-established counterparts in established counterparts The total number of employees family from control or the stands at around 42,000, while pany. Last year EFIM pushed up its stake in the concern to 80 per cent many—not to mention the U.S. withdrawal of the 1.2,200bn (£914m) in 1981, of and there are now suggestions which as much as 60 per cent that the family will dispose of went for export. Despite the its remaining 20 per cent. The fact that these figures are only disengagement above all india third or a quarter of those of the major EEC industries, aeropossible for a single private space offers a notable example shareholder to froduce the of how Italy can prosper in a capital required to finance key high technology sector. Significantly, the industry is field. among those earmarked as beneficiaries of the L1,500m (1.2bn) for a wide range of helicopters, fund just launched by the both of its own design and Government to help research models manufactured under

Sakelal Age.

CATA Endi Stall Bells

and technological innovation in dvanced sectors.

But small is no longer as beautiful as before, now the cost of a project can run into hundreds of billions of lire. And, thanks to official prodding, the industry is gradually being clustered around the two largest companies, Aeritalia of the Irifinmeccanica state - owned conglomerate, and Agusta, part of EFIM, another public sector holding company. The former will concentrate on medium and larger aircraft and space oper-ations, the latter on helicopters

Withdrawal

An early pointer to the new strategy was the acquisition by Agusta of Siai-Marchetti, the light aircraft manufacturer. More important, in some re-spects, has been the gradual

Agusta itself is responsible

MAJOR COMPANIES

	Sales (Lire bn)	Net profits (Lire bn)	Employee
Aeritalia	528	2	13,000
Agusta	698	6.6	10,000
Aermacchi	135	5	2,800
Plaggio (Rinaldo)	56	1.5	1,400
Fiat Aviazione	207	7.4	3,800
Figures are 1981, ex	cept Piagg	io (1980).	

licence from Bell, Sikorsky and Boeing of the U.S. It has also Britain's Westland Helicopters to make a new machine, the EH-101 to go into service with the Italian and UK navies.

The past few weeks have brought equally far reaching developments on the other front. Aeritalia in early May announced that it had acquired a 10 per cent stake in the of Aermacchi, largest privately owned manufacturer, controlled by the Foresio family, with which it co-operates notable among these has been the AMX project for a battlefield support and light attack aircraft, in which Embraer of

Brazil also participates.

Here again, it is being rumoured that Aeritalia could raise its stake further to some 25 per cent. Whatever happens the move is intended to symbolise the increasingly close collaboration between the two. Hitherto, Macchi has been a successful producer above all

of jet trainers, first the MB-326, of which 850 have been sold around the world and now the MB-339, being delivered to the Italian airforce.

The AMX, the first all-Italian fighter of the new generation. is partly designed to replace the ageing Fiat G-91. But a major share of Aeritalia's business which almost doubled last year L528bn, is generated by its participation in international

On the military side, the company assembles the wings for the Tornado, the Angloalian r bat aircraft of which Italian airforce will take 100. This is a key element in the Government's efforts to modernise the country's defence forces. Its major civilian involvement is a stake in the Boeing 767 twin-engined pas-senger jet. Aeritalia has already ploughed L250bn into 767 development, and it is hoping for a sales spin-off of up to \$2bn from a project in which it is technically not a sub-con-

tractor but a participant. Its other major product is the G-222 military transport aircraft, in which Macchi, Slai-Marchetti and Plaggio all par-ticipate. The Italian airforce has taken delivery of 44, while a further 30 have been exported, powered either by General Elec-tric or Rolls-Royce engines.

Development

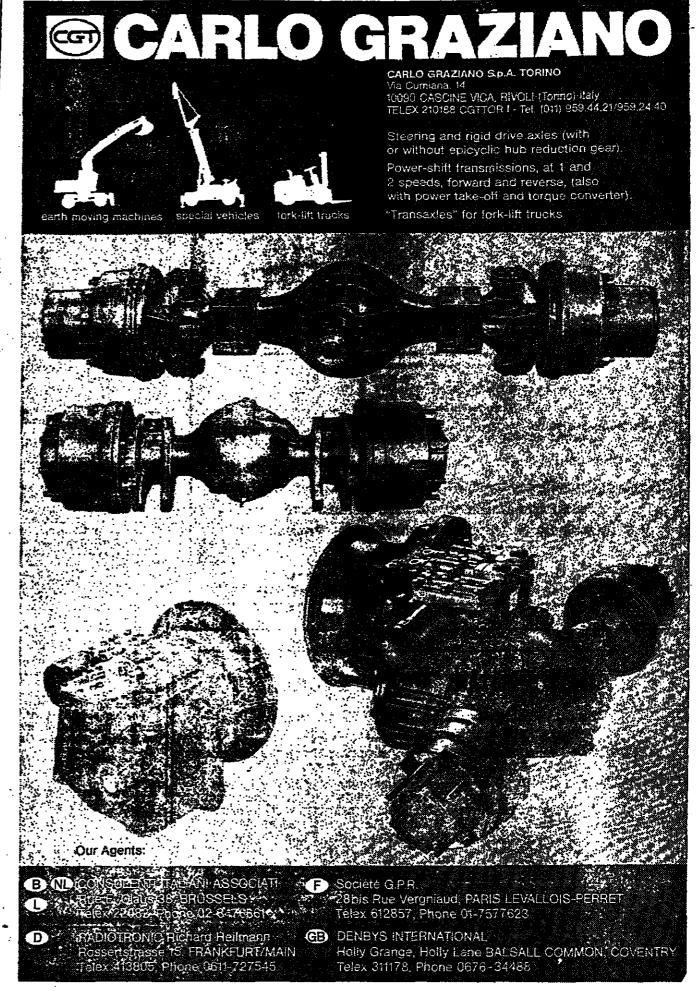
Agreement meanwhile has recently been signed with France's Aerospatiale for the production of a new supereconomy short range passenger aircraft, the ATF-42. It will carry up to 50 passengers, and the two companies are hoping to sell about 750. The ATR-42 will be powered by two Pratt and Whitney turboprop engines, probably built under licence by Alfa Romeo's aero engine division. For its part, Fiat's aero-engine subsidiary is a sub-con-tractor on the PW-2037 turbofan which will power Boeing's 757 aircraft. It is also involved with the RB-199 engine that is being fitted on the Tornado.

Two substantial problems man the otherwise promising de-velopment of the industry. The first is the chronic sloth of the Italian public administration, meaning that payments to de-fence contractors can be heavily delayed. They in turn are forced to rely on bank borrow-ing to cover the gap and the high interest charges involved have acted as a heavy brake on earnings. Only this year did Aeritalia return to profit—a modest I.2bn—after several years during which operating profits had been more than wiped out by debt servicing

The other drawback is the thinly concealed rivalry between Asritalia and IRI on the one hand and EFIM and Agusta on the other, for overall leadership of the industry. Wasteful com-petition and duplication has been largely, but not entirely, eradicated by the current rationalisation of the sector.

It is hard otherwise to explain why Italy should have two competitors, the MB-330 and Slais S-211, in the jet trainer stakes. Suggestions that EFIM should be wound up and its activities transferred to IRI and ENI, the state energy agency, are unlikely to make

much headway. Rupert Cornwell



società italiana impianti p.a.



IRON AND STEELMAKING - NON-FERROUS METALLURGY - BULK MATERIAL HANDLING SYSTEMS - COAL TECHNOLOGIES - PREVENTION OF ENVIRONMENT POLLUTION -ENERGY - WATER DESALINATION - MARINE STRUCTURES - CEMENT FACTORIES - STUDIES ON THE INDUSTRIAL PLANNING OF TERRITORIES.

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BALANCE SHEET FOR 1981

in US million dollars

CAPITAL DECIDED CAPITALIZATION ISSUE RESERVES **NET PROFIT** TOTAL BILLING **WORK LOAD**

10.3 768.0 1.750.2

25.0

MAJOR ORDERS RECEIVED AND PLANTS UNDER CONSTRUCTION IN THE YEAR 1981

IN ITALY

Reorganization and modernization of Nuova Italsider Iron and Steel Plant in Bagnoli. Reorganization and modernization of Nuova Italsider Iron and Steel Plant in Taranto.

Reheating and heat treatment furnaces for Nuova Italsider, Breda, Nuova Sias, Acciaierie di Piombino, Acciaierie Lucchini. Pilot project for harbours in Liguria.

Coal terminal for the thermoelectric powerplant Reconversion to coal of the Cementir Kilns in

Environmental protection plants for Nuova Italsider, Nuova Sias, Acciaierie di Piombino, Acciaierie Lucchini and against pollution in the Gulf of Naples.

Wharf for colliers in Milazzo.

ABROAD

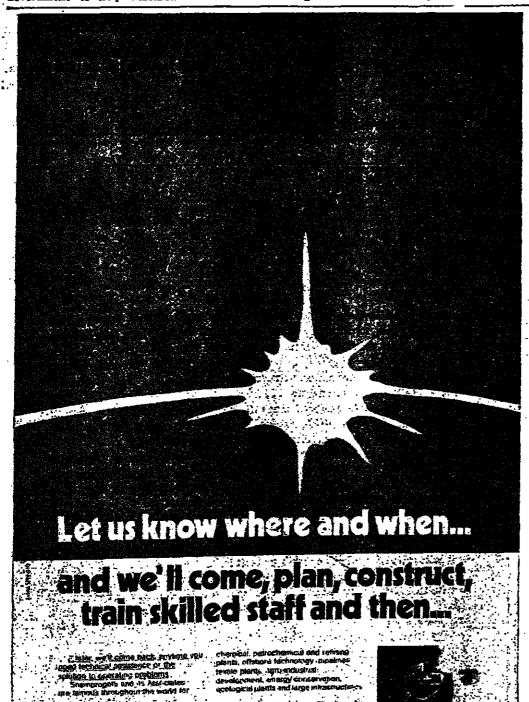
Iron and Steel Plant in Isfahan (Iran). Iron and Steel Plant in Tubarão (Brazīl). Electronuclear powerplant in Cordoba (Argentine).

Reorganization and modernization of the blast furnaces area, reheating furnaces for rolling mills, coal stacking-reclaiming machines for the Iron and Steel Plant in Seixal (Portugal). Maritime-industrial complex in Sepetiba (Brazil). Reheating and heat treatment furnaces in Brazil, Luxernbourg, West Germany, Sweden, Holland, Soviet Union, East Germany, France, Canada, Saudi Arabia and United States. Desalination plant in Rabigh (Saudi Arabia). Coal shipping terminal in Port Kembla

Desalination plant in Sitra (State of Barhain). Coal stacking-reclaiming machines for the steelworks in Port Kembla (Australia).

Head Office and General Management: Plazza Piccapietra 9 - 16121 Genoa - Italy - Ph. 010-59981 -Tix 271390 ITIMP (

Copies of the 1981 balance sheet are obtainable from: Relazioni Esterne



Snamprogetti. Engineering and technology, unlimited.

First out more by contenting David J Coates. Marketing Director of Stanhope House, 47 Park Lane, London: Will let 01-99 97 177

Demand sluggish as money runs short

White goods

SALES of colour television sets have been booming in Italy thanks to the approach of the World Cup matches which will be obliterating most ordinary activities. But for makers of Italian domestic appliances the news is bad.

First, Italian manufacturers are not enjoying much of the TV boom—most of the new sets bought are foreign. This is bad for Zanussi, which is the country's only substantial TV maker. Secondly, a family which buys a TV set in the spring will not have enough money to buy a new washing machine in the summer or autumn.

This also hits Zanussi, the leading Italian maker of domestic appliances, as well as its ompatriot competitors. The Italian "white goods"

industry — making washing machines, refrigerators, and machines, refrigerators, and freezers for the home—is still dominant in Europe, accounting for roughly a third of the market for these products (with more than a fifth of the dishwashers sold). But the market is stagnant or declining, partly because of the recession and partly because it has now become mature. Some 80 per cent of demand

is for the replacement of exist-ing machines, while the other 20 per cent is mainly for second units (for second homes, or a drinks and snacks fridge for the living room) or specialised ap-Whether people replace their

existing machines or not de-pends on the economic climate.

or two-for the quality of the name rather than selling them: machines is constantly rising. In under other brand names or Italy the situation is more acute transferring them to other because of the continuing ban manufacturers. A series of adon new building in the main vertisements has drawn attencities, while continuing inflation to the company's existence tionary pressures are perversely and its headquarters at making families more inclined to Pordenine in North-East Italy. spend more on food, drink and Three-quarters of its sales are petrol rather than on consumer abroad and the company has

The difficulties have been ket, of which it now aims to orse for the smaller manuface get between 12 and 15 per cent. turers. Indesit, the largest after Zanussi, is struggling to keep its foothold at the lower end of the market after the financial crash of 1980. Zanussi, which has about a seventh of the total European markets for fridges, freezers and washing machines, is the biggest producer of "white in Europe,

osch and Philips. Last year its production of domestic appliances fell slightly 3.8m units. Zanussi has had a difficult year, so far, with 10 to 15 per cent of the labour force laid off at any one time. Its domestic appliance sales in Italy fell about 7 per cent last year, and are down 5 per cent

equalled in size only by Siemens-

Advantage

But apart from its size and market penetration, Zanussi has the advantage of a good, if not always vell-known, name at the top of the market, where manufacturers are best placed to face East European and Far Eastern competition.

The policy the company has been following in the past two years is to capitalise on this image, and expand in the more receptive overseas markets, exploiting its reputation quality and good service.

pressed hard in the UK market, of which it now aims to

It has also done well in Denmark and Belgium and claims to have taken some of Philips mestic market in the Netherlands. France remains difficult, wedded to French products, while West Germany has very strong domestic manufacturers.

But Zanussi's expansion in the UK market—at the expense of other Italian and foreign competition-has not been free from accusations of dumping by hard-pressed home manufacturers such as Hoover. Zanussi firmly denies them and insists that it does not sell below cost. It attributes part of its success in Britain to the quality of its products and to the fact that can offer five-year service

Despite advances in some Zanussi markets, European domestic appliance sales revenue there grew only about 12 per cent each year—well below the Italian inflation rate. The company also suffers from the weakness that, unlike some of its major European competitors, it is not strong in consumer electrical and electronics pro-

The story of the Italian colour television industry is a sad one. Zanussi and other companies began to move into

Government's long delay in for TV set production.
deciding what type of colour. But the issue has yet to be deciding what type of colour

were the West German and also by reputations which

Although the Italian market is still strong, at least 82 per cent of it is reckoned to be in the hands of foreign manufacturers led by Telefunken and Grundig. Zanussi has only barely 10 per cent, with the other Italian manufacturers accounting for the remaining 8 per cent

though it is currently

on a forum of co-operation agreement with Telefunken, but they were inconclusive. what to do about the situation, Indesit last year tried to assemble a second group of Italian television manufacturers to match Zanussi.

This would have consisted of Indesit itself, whose three TV factories are not in production, Voxson, which is in "controlled administration" (a form of receivership), and Emerson, has ceased making

television sets. With the Government having finally decided to allocate some L240bn to assist the sector, the question of how it should be spent became a thorn one, industry. Finally, Sig Lamberto Mazza, the chairman of Zanussi, con-

If they are short of money they So it now manufactures more the consumer electronics vinced indesit that its idea was can make them last another year machines under the Zanussi business in the early 1970s but not viable and agreed in prinwere badly affected by the ciple to found a joint company

When it finally decided on 2 TV manufacturer must pro-PAL, Zanussi was ready; but so duce 450,000 sets a year, to be profitable. That means there Japanese manufacturers, aided can be only one Italian producer -Zanussi. Its proposal, which Zamussi (and Indesit) inevitably it has made to the Government the unions and other manufacturers, is that it should produce all the sets for the other Italian manufacturers, which would be

able to market them under their

The only companies which Zamussi believes have some chance of survival are those making specialised luxury TV sets such as Brionvega. The implicit threat to the Govern-Capacity ment and the unions is their if no one falls in with Zamush's Zamussi now has the capacity plan which would involve the to produce 400,000 TV sets a death of Vorson as a producer year—though it is currently—the L240bn would have to be

running at only 65 per cent spent on closing factories.

The discussion is still contact year Zamussi began talks tinning in the desidiory way on a forum of co-operation that characterises the handling of many urgent issues in Italy Meanwhile, Zanussi is planning video equipment (it is discussing to operation with Japanese concerns) and the manufacture of terminals and displays for domestic rather than office use. The market for such products is some way behind those in other European countries.

The lack of a strong electrical and electronics division in the Italian domestic appliances industry, and its belated entry into other home electronics promajor threat to a prosperous future. It is also a big impedi-

James Buxton

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-Urban restructuring of the Garibaldi district —Interchange junctions and corresponding parking areas

-" Ferrovie Nord-Milano" railway modernisation -Urban railway connections between Boyisa (F.N.M. railway

station) and Porta Garibaldi and Porta Vittoria (State railway stations) 20,500 km--9 stations

Naples:

-Underground railway line No. 1 11,400 km—16 stations -Alifana railway line modernisation

23 km—13 stations Turin: Light rail transit line No. 1

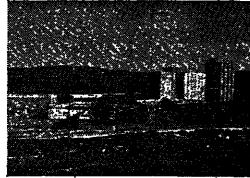
14,210 km—25 stations

—Lazio railway network modernisation Rome: Rome-Viterbo Line Rome-Fiuggi Line



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Exporters bank on having technological edge

easy days now look like past

The last big order for an

Italian chemical engineering

company went to Snamprogetti,

the ENI subsidiary, last year

for seven urea plants in India.

The production of fertilisers

clearly make more sense for.

developing countries than plas-

tics which still have limited

It is with this in mind that

demand on the home market.

Techimont is now pinning hopes

on a new process for the pro-duction of urea. This saves up

to 30 per cent in energy costs, simplifies the production pro-

cess and cuts down maintenance work on the plant because of a

ing are also important factors

in the deployment of new Mon-

tedison processes for the pro-

duction of polyoefins using third

mont relies partly on its parent

company's own research for the

new process technology but also

buys it from outsiders, particu-

larly the Americans and the

Technipetrol, part of the French

Technip group. At present it is involved in a number of oil

regeneration projects in North

Africa and the development of

process engineering for the

production of gas from alcohol which could have widespread

application in South American

countries, particularly Columbia

Technipetrol's main fame in

Italy came with the construction

of the large 600,000 tonnes per

annum ethylene cracker for Montedison at Priolo in Sicily

- the last big plant of its kind built for the Italian market.

As orders in Italy became

scarcer Technipetrol was forced

to rely more and more on over-

seas markets. Recently it has

signed a contract for an

ammonia plant in Kuwait and

a urea plant, using Snampro-

Brazil and Venezuela.

Italian company

increasingly

generation catalysts.

Another

employing

anti-corrosion system. Simplification and energy sav-

Process plant

AS OVERSEAS markets begin to look much less promising than even a couple of years ago Italian chemical and oil engin-eering companies are banking on increasingly sophisticated technology, energy-saving processes and a wider range of services to keep their order books

All the traditional markets for chemical engineering companies, the Soviet Union, North Africa, the Middle East, Nigeria. is in the process of bidding for orders in Syria, Egypt and a number of Gulf States. But the present problems of one sort or history.

Potential new markets such as China and South America are also proving more difficult to develop than anticipated. The slump in oil prices is another worrying sign. The bulk of the work on the transMed gas pipeline from Algeria to Italy has now been completed but the Siberia pipeline which was expected to provide big orders for Italian companies is still beleaguered by political and financial difficulties, although Nuovo Pignone the ENI subsidiary has a \$900m contract for 19 pumping and compressor stations.

Experience

Experience gained on the transMed pipeline, especially by the subsidiaries of ENI, Italy's state hydrocarbons holding, are certain to be exported elsewhere. Saipem, which has been responsible for laying the pipe-line across the Sicilian channel and the Messina Strait is at present laying a 200-mile on and off-shore line in the Danish sector of the North Sea. Another ENI-controlled company, Tecnomare, which specialises in marine engineering and tech-nology, is responsible for the design and engineering work on a steel gravity platform for Phillips Petroleum which is about to go into production in the Maureen field in the British sector of the North Sea.

Tecnomare also has other contracts for engineering on platforms in the Gulf of Suez for the Suez Oil Company and in the Adriatic for Agip, Italy's oil company. New orders will however be affected, at least for the time being, by uncertainty over oil prices.

Heavy expenditure on large chemical plants has also levelled off. This trend has been evident in Italy since the mid-1970s but it now looks as though overseas clients are also being more cautious about ambitious projects which were planned at the end of the last decade.

Plans for the Montedison engineering arm, Tecnimont, to

getti processes in Somalia. It is also bidding for a large contract supply the Soviet Union with another seven chemical plants in Egypt under an agreement which was signed only two years ago have Although foreign orders will run into serious political and financial difficulties. Technont continue to make up the bulk of work for Italian companies is now almost at the end of the

there are now signs that there could be a slight increase in current construction programme in the Soviet Union, involving work in Italy for the first time in about five years. Enoxy, the joint ENI-Occidental Petroleum some 13 plants in the last 10 years, with the completion of a Company formed last year, 100,000 tonnes per annum poly-propylene plant at Tomsk. Its plans to reactivate ethylene work on another polypropylene production at plants in Sardinia, plant in Nigeria is also coming which it is buying from the old SIR chemical group, as well as plastic and The company, which has a rubber production. backlog of orders worth \$166.6m

The plants concerned have either been shut down, have been running at minimum capacity or have not even been completed as a result of the financial disaster which hit the SIR group at the end of the 1970s. Both new construction and extensive maintenance will there fore be needed before production can resume.

Contracts may also be forthcoming on the Italian market in the field of fine chemicals, particularly pharmaceuticals, a sector in which both Montedison and ENI are interested.

Mary Venturini

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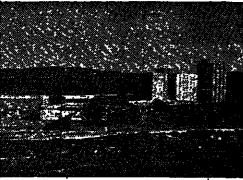
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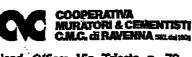


Burgo-Berbera Road in the Somali

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OIL AND CHEMICAL COMPANIES 1981 RESULTS

Prefit Сопраду ENI Snamprogetti Montedison Tecnimont Tecnomare

BUSINESS EFFICIENCY

The electronic office: who needs it?

By Alan Cane

A LITTLE over 10 years ago, an inspired group of scientists at company. In the U.S., it inthe Xeox Corporation research centre in Palo Alto, California, Northern Telecom; in the UK, began a project designed irre-GEC and Plessey vocaby to alter the structure of

Thir goal was the "elec-troni office," the "automated the "office of the futue." No matter which name the used, they were laying the foundations for a new pattern f business where electronic derces substituted for the fariliar typewriter, telephone. filing cabinet and postal system wen the office desk. Informa-tio would be on tap like water or electricity: paper as a conminications medium would be riegated to the museum.

The June 25 Mg

d in Europe,

Their ideas were 21st-century: renting them rooted in the rimitive (by today's standards) icroelectronics of 1971. But it ras commonly agreed that they ere on the right track, and the afluence of the Xerox group pread widely. In France, the Cayak project at IRIA explored shat the French were starting to call bureautique. In the UK, group of academics at London University led by Professor George Coulouris covertly produced a report. The Potential for Integrated Office Information Systems, which warned that the potential market for that point: "We have the techautomated office systems was enormous: "The UK must actively take a share of this te remain a world leader in computer systems."

The report had been discreetly funded by the National Enterprise Board (now part of the British Technology Group). It was used to support the creation and funding of the illfated blice equipment com-Nexos, which failed last

to itelf. By the late 1970s, advageed research work was in ss at IBM. Bell Laboratoris. Massachusetts Institute real issues." of fechnology, Bolt, Beranek and Newman, one of the innvators in electronic mail. an/at a number of other highly

raked centres. companies started bringing thir interpretation of the "lectronic office" to the prket at the beginning of this ecade. By now, the list of stretches to the orizon and includes every

you do the sums).

are now realising with varying degrees of alarm and despondency is that it remains only teir possibilities for imple- a potential market. There is no sign that customers are anxious to exchange their traditional office furniture for the electronic equivalents. They just do not, as one senior consultant pointed out, see the

> ranging. Cost is certainly a principal consideration and so is confidence in the ability of the supplier to provide equipment that fits in with the needs of the organisation. Mr Roger Johnson, president of the Burroughs Office Systems Group, accepts nology, but we do not know how to package it to best effect. These days we bring our design department to work with key customers in an attempt to solve these problems."

Human factors are probably

characteristics of the electronic office, it is easy to slip into a store huge amounts of text. fantasy world pluned to reality this usually takes the form of only by the fact that the tech- the magnetic discs used to store nology to make it happen computer data - and a way of actually exists.

hajor computer, electronics individual files stacked to to say how they work.

They have all invested many millions of research and development dollars in the belief that the market for electronic office systems is enormous - figures from the consultancy Dataquest suggest spending on advanced office equipment could rise from about \$4.5bn in 1981 to \$18bn in 1986 (the actual figures don't matter much, the general drift is the same no matter how

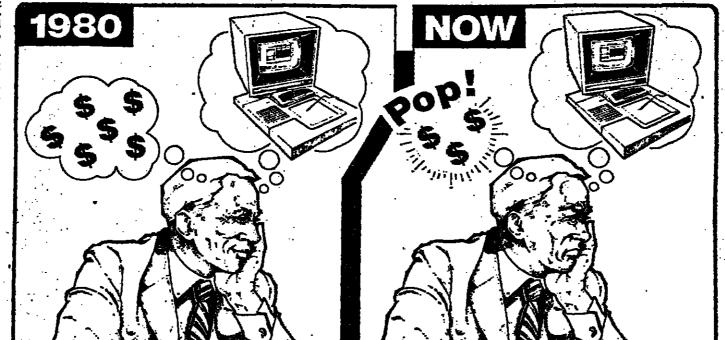
But what all these companies

The reasons for this are wide-

the major hurdle. Mr Paul Strassman, vice-president of the Information Products Group at station, a computer terminal in Xerox and one of the most the form of screen and keyboard respected prophets of the elec-which can be used for word tronic office revolution, said processing, data processing, wearily earlier this year at the drawing diagrams and sending Renx did not have the stage, end of a long session on the messages. The most advanced merits of competing techno-logies: "I wish that people would start to talk about the written text with voice messages

In predicting the physical messages.

In the U.S., for example, there Is a file search system called A few suppliers — Datapoint "Dataworld;" the executive sits and Burroughs, for example in a wired armchair in front of have sophisticated systems for a vast screen. Images of the retrieval but are not prepared



and the executive can "fly" through the stack, dipping into this file or that at will,

However, what most suppliers are offering today is a little more down-to-earth. Most provide, as the basic unit of office life, the multi-function work incorporate a telephone handset which can be used to annotate and for conventional telephone

A way has to be found to retrieving stored information quickly. Easier said than done.

There have to be printers to provide hard copies of material on the screen, facsimile machines to transfer copies OII quickly from one office to another and a way of linking all the pieces of gadgetry: logether so that information can be moved quickly and securely

Bitter arguments are already raging between suppliers over whether it is better to base an office system on special computers (the computer manufacturers) or on a new kind of office telephone exchange (the telecommunications suppliers). Nor has it been generally

from one to another.

vagreed whether it is better to connect work stations together. using a system that transmits only bursts of computer data, or one which can send television pictures at the same time

There are arguments over whether it is best to incorporate voice communication with data communication or to leave the networks functionally separate. Suppliers and customers disagree over the extent to which electronics should take over in the office. "We are not looking for the paperless office. We do not expect to see newspapers replaced by electronic news retrieval," says Mr Bob Ryan, founder and president of Dialcom, the U.S. company running British Tele-

Gold " electronic mail

SUPREMO ELECTRONICS

"We have only two type-writers in the place, and we are trying to get rid of them." says Mr Colin Crook, managing director of Zynar, an electronic office company which communicates with its sister company, Nestar, in California, using electronic mail.

com's

Meanwhile, the head of one of North America's biggest banks has an office bare of both desk and paper, owning up only to armchairs and a coffee table that converts into a computer

One of his chief aides grimaces: "I have to have a

New Issue

to put my feet on when I'm talking on the telephone."

No wonder the prospective customer is confused. Mr David Butler, chairman of Butler Cox a UK consultancy specialising in office automation, says: "The electronic office market is growing more slowly than expected and more slowly than it should. There is a clear lack of perception on the part of the customer of the need and of the potential. Companies are obsessed with engineering productivity-but not with management productivity."

Financial pressures during the recession are thought to be concentrating the minds of some companies wonderfully. One senior systems chief tells the story of submitting report after report on office produc-livity. These gathered dust on the shelves until the arrival of a new chief executive. The new boss warned that unless operating expenses could be cut by One of his chief aides £100m a year, liquidation was are advanced in the office. They taken that step grimaces: "I have to have a on the cards. Within days, are the ones which were the or at least it have got to have something requests were flooding into the first to embrace computerisation world about it.

cutting office costs. The fact remains that elec-tronic office equipment is still very expensive by comparison with traditional machinery and the cost benefits are by no means obvious. Most companies

start with a word processor, an electronic replacement for the typewriter, but far short of the clamorous multi-function work Such machines start at around £3,500; a price tag of £7.000 a

station is more usual. The office will need a printer on top of that but one printer can be shared among several word processors. The most sophisticated multi-

function work station available today is probably the "Star" manufactured by Xerox and modelled on its "Alto" proto-type which came out of the seminal Palo Alto research programme. That costs over \$16,000. Compared with the £1,000 or so for a good electric typewriter, most office managers have difficulty justifying a word processor.

Mr John Leighfield, head of British Levland Systems, is in a peculiarly powerful position to judge the state of the office products market.
His company is both a heavy

user of office automation and supplier of office automation products-it markets the U.S. Comet" electronic mail system. He says: "Easily usable pro-

ducts are not really here yet. Word processors are being installed but they are of limited impact. There is a lot of cynicism and ignorance about the true effectiveness of this technology at the managerial Mr Gerald Cullen, vice-presi-

dent, market planning for Data-point, which was in the vanguard of the drive to put a terminal on every manager's desk says: "Every screen and keyboard should be able to do everything," but most managers remain unwilling to do anything with a terminal. They are afraid of showing ignorance, of demeaning themselves working at a keyboard ("A pencil is a professional tool, a keyboard a secretarial tool") afraid of the planning and reorganisation needed to implement office automation.

Some organisations, however,

which systems department for help in tion. marshalled office routines and which appreciate the need for fast, secure communication. Among them are banks, holiday tour operators and insurance companies.

All these organisations have taken an incremental approach. U.S. banks like Chase Manhattan and Continental Bank of Chicago have put together word processing and electronic mail systems from off-the-shelf components.

Chase, for example, uses a network of Datapoint miniconputers for word processing. talking to the telex system, filing, sending messages (throughout the organisation and updating executive diaries.

Continental Bank gets similar performance from cheap terminals and leased communication lines to its Chicago computer centre. Some of its secretaries work at home, using a portable terminal and the tele-

So there is progress, but it is slow low key and driven by necessity rather than technology. Office managers will move to electronic typewriters before going to word processors. Word processors will come, before work stations.

Most significant of all, IBM

the giant of the data processing world, has refused to take a lead in the electronic office. It has announced some simple products so far but all it will say is that setting up an electronic office is more difficult than it seems. It is not clear whether its silence is because of a genuine uncertainty over the way the market is going (IBM has made. mistakes before) or because it. is developing advanced products! quietly while waiting for the psychologically and economically right moment to launch

them It is known to be working, on very advanced techniques of presenting information stored on computers to executives to help them in their business decisions.

Mr Leighfield believes that if office equipment manufacturers practised what they preached and turned their own companies into working demonstrations, that would go a long way to overcoming customers' cynicism. Even IBM has not. taken that step into the future. or at least it has not told the

June 23, 1982

Letters to the Editor

Differences between two fixed cross-channel links

From the Deputy General

lights the enormous differences between two of the fixed cross-Channel links on offer. Were Mr Williams of British Rail to fuln the correspondence the full range of projects would become clear. One concludes that if is simplistic to regard the issue as merely one of link or no link.

In the EuroRoute survey of French public opinion mentioned by Mr Groves, 56 per cent of respondents apparently favoured such a link. Can it then be said that a fixed link is justified? Even ignoring the vague wording of the question (which may have suffered in translation), there are a number of flaws in this argument.

Any link will cost money and the question is not whether anyone would be in favour of "a link" but whether, as a passenger or taxpaver, he or she would wish to pay for one. The product would not be "a link" but a EuroRoute bridge. BR tunnel or some other

Sir, - In the jobs Column

(June 17) Michael Dixon

reported on several aspects of

recruitment consultancy which

important and controversial. I

would like to comment on some

Generally speaking, clients

are neither more nor less

responsible than consultants

and the ethics adopted by both parties tend to equate. If a consultancy is "retained" it

should normally seek exclu-

sivity to ensure that it is solely

responsible for selection of the

best candidates from whatever

source. This is generally to the

phrase?) who approach them

that they have an exclusive arrangement and do not wish

appears to believe are

Recruitment-

From Mr T. Itwin

consultancy

of his points.

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option. How many of those who only echo the comment of the support a small-bore tunnel in the hope that it would remove lorries from the roads. It cannot be assumed that such people would support EuroRoute. On Mr Groves' figures, a

French population want only about a quarter of the population might be expected to support Mr Groves and even less to support Mr Gueterbock. There may, of course, be some transferred votes if one scheme was eliminated, but it seems unlikely that any scheme could beat the combined "anti."
"don't know" and "unconcerned" votes. This is hardly a great recommendation.

I cannot comment on the engineering problems which would confront Mr Groves or Mr Gueterbock if either scheme were to be accepted, but can Harbour House, Dover, Kent.

Manager, Dover Harbour Board are in favour of a bridge would former that "... any cross-Sir,—The recent exchange in also favour a small-bore tunnel? Channel link will bring your columns between Messrs. Conversely, there are, I suspect, that both the timetable and the costs would be subject to extension in all cases.

Regarding finance, it is extrémely unlikely that any scheme of this magnitude can be financed without the support of some reasonable guess would seem to impercable credit," in the words be that just over half the of Sir Alec Cairpeross. Whether that organisation is British Rail, link," and just over half of the British or French Govern-these favour EuroRoute. Thus ment or the EEC, the principle even before they are confronted and the practical consequences with the financial consequences, are much the same. The link would not be a private venture.

The assumption has been made by both correspondents that ferries could survive alongside a tunnel but not a bridge. Following the work carried out for the Channel Tunnel Study working party report, I can confidently claim that ferries, albeit in a streamlined form, can combears the full cost of genuinely private finance, whether bridge or tunnel. The bigger they are, the harder they fall!

J. F. Sloggett.

Not the perfect

From the Chairman, City Capital Markets Committee.

Sir,-The correspondence you have published has revealed many powerful arguments both for and against SSAP 16 (current cost accounting). On a technical as well as a practical level it has been enthralling. I do not, however, write to contribute to that debate: but simply to underline a point made by (inter alios) Professor Stamp (June 15), Mr Priestly (June 16) and Mr Heady (June

The City Capital Markets Committee has amongst its members but one practising accountant, a member of the Institute of Chartered Accountants of England and Wales. All the other members are concerned with businesses which use company accounts: banking (both clearing and merchant banks); insurance, unit trust, pension fund and investment rust management; stockbroking and stock jobbing, and the law. In other words, all the disciplines which have to do with the raising and investing of capital.

We feel that members of the Institute, should vote against the resolution calling for the withdrawal of SSAP 16. which is to be considered on July 29.

Inflation may be going down, but it has not disappeared. Nor. if it does disappear, will it do so forever. It is of great importance to know how to account for it. Otherwise we shall, as a nation, continue to delude our selves as happened until the destructive effects of inflation came to be widely recognised.

SSAP 16 is not the perfect answer. Most people recognise that. The best solution can, however, only be found after experiment and experience. This is why it was a good

idea to introduce SSAP 16 in 1980 on the basis of a threeyear trial period. Over 80 per cent of histed companies' accounts now contain CCA statements. The standard does not apply to most unlisted companies. We are thus in the pro-cess of learning its merits and its drawbacks, at relatively low

The experiment should be allowed to run its course. We think if would be an important and serious error to withdraw SSAP 16 now. To do so would waste a unique opportunity to gain much needed experience. Martin W. Jacomb. 20 Fenchurch Street, EC3.

This announcement appears as a matter of record only.



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up their noses" (Mr Dixon's ous topic for discussion. A com- Welwyn Garden City, Herts,

phrase) I suggest that such pany is free to use the consultants should take a short consultant of its choice. Any course on how to draft agree- consultant who acts against the ments and contracts. Con- interests of his client quickly sultants who work solely on a runs out of clients. Has anyone "retained" basis should also surveyed the demand from comconsider that companies can panies for closer regulation of have a justifiable case for recruitment consultants? requesting payment by results.

search consultants should subscribe to a self-regulatory code and possibly form a national association. At the risk of provoking an outcry, it is my experience that such actions are generally taken to protect the interests of the members of such associations, not the interests of their customers. If innocent parties can easily be seriously damaged by unregu-lated activities it is far better overall benefit of the client. for Government to legislate on such matters than to allow self-regulation. This is precisely The responsible client will then advise "contingency operators" self-regulation. This is precisely what occurred in the passage (whoever dreamed up this of the Employment Agencies Act 1973 and subsequent legisarrangement and do not wish lation. Substantial protection to receive additional candidate was afforded the individual by details. If a consultancy is the licensing and regulation retained" on a non-exclusive system so introduced and many basis it thereby accepts the risk nasty practices were stamped

the successful candidate out. being found by the client via We are therefore left with other sources, eg the register the question of whether comfacilities maintained by some panies need to be projected against recruitment consultants Irwin Associates, Rather than letting this "get and I cannot take this as a seri- 40 Stonebills,

Mr Dixon also comments on Mr Dixon also feels that the increase in UK search activity leading major employers to protest as key staff are "lured" elsewhere. Due to this growth in search activities (presumably in response to demand), more executives to-day are able to make a better choice about how to progress their careers than was pre-viously possible. I would not take such a protest too seriously. Would the protestors also propose a ban on the use of advertising as a tool to "lure" staff away?

Rather than headline a "Kill or Cure Problem" I would seriously question whether any real problem exists at all. An attendance at the London meeting of less than 50 people out of "at least 400 recruitment consultancies" (totalling how many consultants?) suggests to me that the "problems" are in the minds of a very limited number of consultants. T. Irwin.

tax losses came ti £6.70m (£4.27m).

Borrowings in the TK have been reduced and while those overseas have increased in ster-

ling terms, this is partl due to the fall in the value of sterling

the fall in the value of sterling against other currencies, barticularly the U.S. doilar.

At the year end, UI bank overdrafts and advance; were down from £14.15m to 9.69m, while overseas, the figure were higher at £10.35m (£23m).

Loans increased from £3.53m to £27.74m.

Green shareholders' unds

Group shareholders' unds amounted to £83.54m (£86.8m).

Fixed assets totalled £5,37m (£55,09m) and net current sets were £58.8m (£57,42m).

Renold continues to strugts. The UK business moved intuite

stamped out the improvement.

Property sales (including Repld House) have kept a lid on

borrowings, but at nearly £4m against shareholders' funds of

stocks have only wrung £1.m out of the UK business, lit Repold's new computerisd

Repold's new computerisd system might provide better results this year. The compan's workforce has shrunk by moe

up overseas contributions by

boil so prospects for the current year look less bright. Chance

for a return to pre-tax profit ability this year do not look good. The shares at 394p (par value is fi) yield nearly 7.6 per cent. Market capitalisation is f15.9m.

Whatlings

improvement

they remain a maor Efforts to whittle down

comment

WOILY.

THF falls by £1.9m midway

A DISAPPOINTING first quarter for hotels, catering and leisure group. Trusthouse Forte has been reflected in a fall in profits for the half year to April 30 1982 from fl-im to fl2.1m pre-tax. However, trading is ahead of last year and with this improved trend continuing, the group looks forward to a good second six muntis. The greater part of the year's profit is always produced in the second half of the THF

financial year.

The net interim dividend is being maintained at 1.5p per 25p share—the previous year's total was 6p on taxable profits of £52 3m (£66m).

For the period under review the group's performance in the UK has been strong, particularly in the London luxury hotels where results are 30 per cent ahead of last year. Provincial hotels also showed an improve-

During the first half however sales overseas were generally affected by economic conditions

Despite this, total group trading receipts advanced from £364.6m to £401.9m for the half year, while gross trading profits rose by £1.8m to £38.2m. Depresions was up from £11 fm to ciation was up from £11.1m to £14.5m. with the increase attributable to the improvement and development of the group's

assets, the benefits of which are beginning to show.

Commenting on the higher charge, the board says that the group has had a heavy capital development programme over the past two or three years, spending more than £100m a year.

"We felt this was the right time to do it—in an economic downturn. We will be slowly turning the tap off now."

Although heavy spending will

Although heavy spending will continue and the Post House hotel chain is continuing to be developed, capital spending is expected to be lower this year.

Interest charges for the six months were £0.3m higher at £11.6m. Tax took £3.1m (£3.8m) and with minorities accounting for £0.4m (£0.6m), the group's net attributable profits showed a £1m enduction to £5.6m. £1m reduction to £8.6m.

The board reports that after a "very sticky" first quarter, the trend has been very good for the industry, particularly in the manber of Americans coming into the U.K. From the American tourist point of view, the rise in the value of the dollar has helped by giving them an effective discount.

"If this trend continues and the economy is coming out of its downurn, things could look bright," the board concludes. See Lex

UGI leaps to £3m

IMPROVED PRODUCTIVITY brought about by reorganisation them as a normal deduction from in the previous year—led to an pre-tax profits.

86 per cent jump in taxable During the year the group's profits at United Gas Industries, from £1.65m to a record £3.07m. in the year to March 30 1982. Turnover of this gas appliance

manufacturer, however, slipped from £51.7m to £46.7m, due parily to the closure of two companies in the previous year, the depressed economy and a concentration by the group on products it makes most

efficiently.

With a rise in earnings per 25p share from Sp to 13.6p, the final dividend is being increased to 4.55p (3.5p) net, making a higher total of 5.95p (4.9p). Taxable profits were struck (£811.000) severance payments to former employees of £415,000 (£594,000). In the previous year the later charge was included in extraordinary items below the ito; the directors say they have changed the accounting treat-

ment because they severance payments

scene" and thus they regard

During the year the group's net cash position improved by £3m, due mainly to the reduction of working capital through

Looking to the year ahead the directors say the group is experiencing strong competition, more especially from overseas companies. However, they see the future with confidence, taking into account the improve ment in the year under review and the better cash position. The pre-tax profits included income from short-term deposits

after depreciation of £691,000 there was an extraordinary (£684,000), interest payable of credit of £149,000 (£1.85m debit) for tax relief on 1981 closure and reorganisation provisions. This left attributable profits of £2.22m (£658,000 losses)

£90,000 (same) and ordinary dividends £865,000 (£713,000) treat- leaving a retained balance of feel £1.26m (£386,000 after transfer have from reserves of £1.85m to cover occome part of the "industrial extraordinary debits).

greater efficiency.

of £32,000 (nil) and from invest-ments of £4,000 (£55,000). Tax took £1m (£1.19m) and Preference dividends took

THE FREDERICK PARKER

GROUP PLC (Manufacturer and supplier of plant for producing crushed and graded stone, mixed asphalt and concrete. Hiring and servicing

Unaudited interim statement

Half year ended 31 March	1982 £000	1981 £000
Turnover Trading Profit before interest Profit before taxation Profit after taxation Earnings per share	24,535 2,058 2,005 1,415 9.8p	19,280 990 454 433 3.0p

Points from the chairman's comments:

- Good results for the first half year.
- Cash position remains strong and interim dividend is increased to 1.5p (1981: 1.0p) net per
- Results for the year are expected to be similar to

K. J. Parker

The Company's Shares are traded on The Over-the-Counter Market. Details of this market together with copies of the full interim report are available from Investment Bankers M.J.H. Nightingale & Co. Limited, 27-28 Lovat Lane

MORGAN STANLEY INTERNATIONAL

KANSALLIS INTERNATIONAL BANKS.A.

May 20, 1982

Overseas expansion lifts Scapa to £13.6m

THE BEST-EVER results were reported by Scapa Group for the year to March 31 1982, says the directors, with a 46 per cent rise directors, with a 46 per cent rise in pre-tax profits from £9.28m to £13.59m. Sales for this maker of engineered fabrics for the paper industry, felts and other specialised industrial fabrics, moved ahead by £16.49m to £100.1sm.

The directors are confident that the group will enginee to

that the group will continue to progress atthough in the current year increases in profit will be much more difficult to achieve. The North American subsidi aries took full advantage of opportunities in their major business sectors. Helped by the strengthening dollar, pre-tax profits rose by 81 per cent and sales by 56 per cent. Other oversess subsidiaries also pro-

overseas subsidiaries also produced useful increases in profits. An analysis of sales and operating profits shows: UK £35.98m (£40.35m), £1.88m (£3.1m); North America £3.04m (£3.1m); Norm America 233.04m (£34.11m), £11.83m (£6.64m); other countries 11.08m (£9.16m), £1.65m (£1.54m). The dividend has been raised

from 6.55p net to 7.1p with an increased final of 4.1p (3.75p). Earnings per 25p share are given as rising from 16.4p to 21.1p. At the interim stage pre-tax profits rose from £4.19m to £6.82m and the directors were confident that results for the full

Pre-tax profits were struck after reduced interest costs of £1.75m against £2.03m.

The UK tax charge rose from £838,000 to £910,000 and overeas from £3.63m to £5.82m. After minorities reduced from F74,000 to £19,000 and lower extraordinary debits of £954,000 against £1.51m, attributable profits emerged higher at £5.78m compared with £3.23m. On a current cost basis pre-tax profits were £10.48m and earn-

ings per share came to 11.3p.

comment

For the fourth year in succession Scapa has recorded falling UK profits and advances in North America. But this year the 78 per cent rise in American operating profits, with help from the mighty dollar, enabled Scapa to produce a record sales and pre-tax performance. Rationalisa-tion has again been necessary in the UK, with about 300 redundancies and the scrapping of some obsolescent products, and the company expects to arrest the decline in UK profits this year. Scapa's pleasure is tempered by apprehension about the effects of the U.S. recession, though the sterling-dollar rate has recently moved decisively in its favour. Operations in S. Africa and Australia suffered a downturn in the last quarter, but overall registered an improvement over the previous year. Capital gearing is about 40 per cent, a figure which Scapa conresults the shares gained 4p to 139p, yielding 7.5 per cent on the increased dividend.

Imasco sees continuing strong growth

Imasco, the major tobacco products, fast food, retailing and food manufacturing group owned 49 per cent by BAT Industries expects to counter the recession successfully in the current year ending March 31 1983. Paul Pare, chairman, told the annual meeting he would be dis-appointed if Imasco did not

achieve a 20 per cent gain in per share earnings. For the first two months of this year the pattern of strong growth in revenues and earnings

set in 1982 continued. Last year Imasco, which has 40 ner cent of its assets in the U.S., earned C\$119.5m (£53.35m), or C\$5.56 a share, against C\$89.5m on sales of C\$2.19bn

Mr Pare said the fast food, drug store and food manufactur-ing operations were continuing to do quite well though some retail operations were feeling the impact of the recession. Tobacco products might slow down because of tax and manu-facturing cost increases. However, Imasco is confident with maintain its 50 per cent

nouncement appears as a matter of record only.

U.S. \$25,000,000

Kansallis-Osake-Pankki

Floating Rate Capital Notes 1989

The placement of the Notes has been arranged by the undersigned.

IN LINE with the estimate of £43m given in April at the time of the offer for Cawoods, pre-tax profits of Redland totalled £43.51m for the 12 months ended March 27 1982—a 7 per cent reduction on the previous year's £46.76m. At the half-year, taxable figures were down 9 per cent at £21m. Total sales of the group, which Total sales of the group, which supplies materials and services to the construction industry, rose

After briefly reviewing events in the financial markets Lex comments on the interim report from Trusthouse Forte. Trading profits are up but after heavy spending on the capital account and elegant investments in the Savoy, depreciation and interest charges are higher and pre-tax THF is down to £12.im, against £14m. Prospects are looking better, for the second half. The column then considers the annual report and accounts published by Contanida yesterday which show that the group has shaken out almost all it can from working capital and is at last getting the benefits of a strong cash flow. Redland reported a seven per cent decline in full-year profits to £43.5m yesterday. Lex comments and then reviews the position of the castings industry in the light of the figures

to the construction industry, rose from £515.17m to £572.13m. However, conditions within the construction industries of the UK. West Germany and the U.S. remained depressed during the year and volume declines were experienced in all principal activities in these countries. Australia the benefits of the to £165.76m. A 14 per cent rise Rocia acquisition have still to be in associates' profits to £12.46m (£10.9m) included increased proand its acquisition of Rocla. In addition, favourable movements in exchange rates increased the sterling value of overseas sales Profits from the overseas sub-Profits from the overseas subsidiaries fell by 25 per cent to
£17m. This was largely
accounted for by Breas & Co. in
West Germany, where a sharp
fall in new housebuilding
severely hit profitability in the severely hit profitability in the roof tile sector. Conditions also deteriorated in the U.S. but the principal subsidiaries just managed to wade profitably.

Profits in the UK were ahead by 9 per cent to \$20.71m, on sales some 13 per cent lower at \$142.54m The main trading operations held their level of profits in face of lower construc-15.93p to 16.02p, after elimina-tion of minority interests and

Redland down by 7% at

£43.5m—UK profit held

because of a lower average tax charge on the wholly owned With Cawoods Holdings now a subsidiary of Redland, the board reports that the new financial profits in face of lower construction activity generally.

During the year, the English concrete pipe division was closed and the businesses of Redland year for the combined group has commenced favourably in the UK, with major activities in the construction field all showing

Automation in both the UK and the U.S. were sold. Overseas, however, there are no signs yet of recovery in either Germany or the U.S. while in

(£10.9m) included increased pro-fits from Monier in Australia and from operations in South Africa and the Middle East.

An increase in group finance-charges from £5.68m to £6.66m resulted from the cash outflows associated with Redland's in-creased investment during the

year in Monier and a very sub-stantial tax payment in Germany. Total tax was reduced from £21.52m to £19.33m. After deducting minorities of £4.53m (£5.8m) attributable profits £19.44m to £19.65m Extraordinary items took £3m (added £0.15m) and with dividends costing £9.07m (£9m), the retained surplus emerged at £7.58m, com-pared with £10.59m.

In current cost terms, pre-tax profits were £32.19m (£34.01m)

7.41p (6.14p).

Baker Perkins £4.57m higher

A SHARP improvement in the econd six months to March 31, 1982 enabled Baker Perkins Holdings to lift its full year profits from £2.03m to £6.6m at the pre-tax level.

The 11 per cent gain in sales

value overall reflected growth in Monier's activities in Australia

up 16.5 per cent to £263.83m.

As forecast, a same-again final dividend of 4.67p per share main-

tains the total payment at 7.34p

net. Stated earnings per 25p share rose marginally from

The group incurred a loss of £213,000 (£1.76m) in the first half but the interim report revealed that the value of orders in hand had provided a base for a significant sales increase which was expected to result in a satisfactory profit in the second half.

Full year sales of the group, manufacturer of plant and machinery for the food, chemi-cal and printing industries, expanded from £116.48m to £137.8m, of which the overseas companies contributed £74.99m (£55.48m). Group tracking profits emerged well ahead at tion of sterling, particularly 28.61m (£5.16m), with £3.51m against the dollar, the directors (£433,000) coming from the UK Commenting on the prospects

of a higher level of unexecuted orders, he is looking for an He adds that higher sales, together with the measures

taken during the past two years to improve the efficiency of the group, should enable a further improvement in profits to be

The pre-tax surplus was struck after lower redundancy and severence costs of £515,000 £1.03m) and net interest charges of £1.84m, compared with £2.29m. Included was a share of associate's profits of £337,000

(£189,000).

Tax paid jumped by £2.1m to £3.15m, leaving the net balance at £3.44m, against £979,000.

General Trust

The United States & General

Trust Corporation has raised the net interim dividend from 4p to

5.5p net per 25p share for the year to December 31 1983.

Since the trust is expected to be unitised before the final dividend is normally paid, the board has decided to distribute

most of the net income receivable in the balf year to June 30 1982 and has increased the

All further income received by the date of unitisation will be distributed in the form of a second interim dividend.

US. and

interim.

YOKOHAMA ASIA LIMITED

MITSUBISHI BANK (EUROPE) S.A.

at £3.02m (£176,000) after minority deductions of £21,000 (£106,000) and extraordinary debits of £400,000 (£697,000). Rarmings per 50p share are given as 10.2p (2.6p) before extraordinary items but the dividend is being held at 5.1p

net by a same again final of 3p.
Orders received during the year increased by 25 per cent in value and 7 per cent in volume, compared with the previous year. Although sales increased by 18 per cent in value and by some 2 per cent in volume, the rise was not as great as for orders.

The greater rise in the value of orders and sales, as compared with volume, grose from inflation and the sharp devalua-

Sales in continental Europe continued to grow as did sales for 1932/83 Sir Franklin Braith in North America. At year end waite, the chairman, says that the value of unexecuted orders order prospects generally are was £74m, an increase of £17m Analyses of sales by area

and percentage of total shows: UK £26.59m (£29.38m), 19.3; rest of Europe £29.17m (£23.98m), 21.2; North America £46.17m (£29.61m) 33.5; rest of

machinery £94.94m (£79.47m) and pany's prospects in a state £4.05m (£3.18m); chemical processing machinery £17.7m The yield is 7 per cent.

and printing and other machinery £25.16m (£23.37m) and £2.97m (£759,000).

The extraordinary charge was provision made for moving employees, stocks and machinery from Michigan to North Carolina as part of the pre viously announced relocation of the food machinery division of Baker Perkins Inc. On a CCA basis pre-tax profits

vere £2.81m (£2.4m loss), comment

Baker Perkins has done some what better than expected and appears headed towards further recovery. Severe cost-casting recovery. Severe cost-custing in the UK has pumped up margins in the year from less than 1 per cent to over 5. In America sales have grown by more than 55 per cent; the new high-speed printing machines get most of the credit. The company's investment in computer-aided design (CAD) equipment appears to be paying off handsomely. Thanks to this hitech input, the company's newer products are having few teeth-ing problems and fewer after-sale foul-ups. Although borrow-ings are unchanged at around fillm, the balance sheet is in (£23.98m), 21-2,

£48.17m (£29.61m) 33.5; rescaled the world £35.88m (£33.52m), 26.

The UK companies achieved that further CAD achieved much improved trading profits.

The US. companies had relocation in the US. will relocation in the US.

Australia, France and New ges Zealand earned lower trading profits.

The US. companies had relocation in the US. will relocate the this year, so a return to 1980's find the companies in this year, so a return to 1980's find the companies in this year, so a return to 1980's find the unit relocation in the US. will relocate the companies in this year, so a return to 1980's find the unit relocation in the US.

Tunnel on target

PROFITS BEFORE tax of Tunnel Holdings, now 98 per cent owned by Rio Tinto-Zine cent owned by Mo Tinto-Zanc Corporation, topped the forecast of £16.75m made at the time of the recommended offer by RTZ, and emerged at £16.81m for the 12 months to March 28, 1982, compared with £15.55m previously.

Turnover of the group, ngaged in construction engaged in construction materials and services and

Ansbacher falls to £0.66m

Profits efter tax of Renry.
Anshacher Holdings, merchant banker, fell from £309,000 to £556,000 in the year to March 31 1982, and as forecast at the time of rights issue last February, the year's dividend is being raised from 0.15p to 0.35p net per 5p share.

The directors point out that since the year end the group has been materially changed, both in size and activity, by the acquisition of Seascope Holdings, which is active in marine insurance and reinsurance broking, ship sale and purchase and

ship sale end purchase and tanker and dry cargo chartening. In view of these changes, the year's results have been pre-sented in the manner that will

sented in the manner that will be followed for the bank in future years. Therefore the accounts as presented are mainly of historical interest, and the new group's perform-ance will be more apparent at the time of the interim figures-later in the year, they say.

THE TRING HALL USM INDEX 1255 (-0.2) Close of business 24/6/82 Tel: 01-638 1591 BASE DATE 10/11/80 100 specialised chemicals, rose from £107.27m to £148.69m and at the trading level profits came through at £12.91m, compared with £11.16m.

The pre-tax figure and uded shere of profits of associates, amounting to £6.3m (£4.87m), but was after net interest charges of £2.4m (£314.000 received). Tax took £4.47m leaving the net £1.55m higher at

There were exchange gains this time of £34,000 (£214,000 loss) and minorities accounted tes) and individual states with the attributable surplus emerged at £12.03m (£10.56m).

at £12.03m (£10.56m).

Stated earnings per 250 share improved to 50.3p (43.3p) but no final dividend is being paid. The directors said in their interim report that in normal circumstances they would have recommended a final of not less than that paid the previous year. RTZ acquired a 39 per cent plus stake in Tunnel when it purchased Thos W. Ward and subsequently bid for the balance in March this year.



LADBROKE INDEX Close 551-556 (-1)

Renold holds payment at 2p

FOLLOWING RETTER results in the second half of its finan-cial year Renold, manufacturer of power transmission products or nower transmission products and machinery, has maintained last year's dividend with a final payment of 2p net per £1 share. The interim and the previous final were both omitted.

Mainly because of UK losses in the first sty mention the street.

the first six months, the group-ended the year to March 28 1982 with a pre-tax defict of \$1.77m, compared with £2.95m profits previously. Of this loss, some £1.46m was incurred in the first External sales for the year

slipped back from £127.09m to £122.25m. At the trading level, the group made profits of £4.68m. the group mase promis or 2.05m. (25.41m.) but these were wiped out by higher interest charges of 25.4m (25.47m.).

The bulk of the reduction in trading profits was attributable to UK operations where losses of 25.84m profits) were to 25.84m profits.

of \$558,000 (£2.84m profits) were insured. Overseas companies profits dropped by £0.5m to £5.27m. The result was after charging depreciation of £3.64m (£3.75m).

The beard says the results for the year reflect the very low levels of demand for mechanical engineering products. This has been a feature in many expensions.

been a factor in many economies, particularly Europe and North America, because of the wide-spread recession in manufacturing activity.
High interest rates have had

significant adverse influence on these market conditions and contributed both directly and indirectly to the company's reduced level of profitability. In the UK in particular, the trading results have also been depressed by the consequences of short time working and temporary dislocation arising from the further actions taken to adjust the company's opera-tions to lower level of demand. improved productivity showed through in better results in the

latter part of the year.

It is not expected that there will be any significant improvement in demand in 1982-83, but the actions taken should result in an improved financial per-

54.14m, after tax of fi.41m (fi.67m), minorities (£1.67m), minorities and preference dividends of 281,000 (£95,000) and extraordinary debits of £0.88m (£2,42m). The ordinary dividend again costs Stated loss per share was 8.1p, before extraordinary items, com-

Whatlings, the civil engineering and building contractor, experienced a rise in pre-tax profits to £167,000 for the half year to March 31 1984 against £131,000, though turnover was formance.
Attributable losses for the year increased from £1.24m to sharply reduced to £10.5m from £14.46m last time.
Interim dividend par 25p share is 1p net (nil), alsorbing £40,000. Last year an interim payment of 1p was madein iten

of the inal.

After tax of £17,000 (ni), net profit works out to £30,000 (£131,000), while earning pershare are stated at 3.75p (£28p)

Tilbury Plant Tilbury Roadstone Tilbury Construction Tilbury Developments
Tilbury Mechanical Services

You thought Tilbury was across the river from Gravesend

Tilbury isn't only a container port. It's also the name of an expanding group of twelve subsidiary or associated companies active in many aspects of the construction industry throughout

These activities include civil engineering, building, plant hire and sales, mechanical services, property development, as well as the supply and laying of road materials. This work is carried out for a wide range of clients in both the public and Despite a 15% reduction in turnover due to the continued

recession, an advance in trading profit of over £2.2 million was achieved in 1981.

For an update on Tilbury send for the latest Annual Report.

Apply to: Tilbury Group Public Limited Company, Tilbury House
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Tilbury Group Public Limited Company Towards a Century 1884-1984

M. J. H. Hightingale & Co. Limited

Dewhurst Dent cuts deficit

GLOVE MAKER and warehouse group Dewhurst Dent reported a reduced deficit of £78,000 for the si months to January 19. full **ear. Turnov**e from 3m to £6.67m.

The interim is again omitted. The troup last paid a dividend in 1979. Loss per 20p share is stated as 0.77p (1.74p). A rading profit of £50,000 was

recoded, compared with a £183000 loss. The pre-tax figure was struck after depreciation of £124000 (£163,000). There was no ax charge (£179,000 credit). The directors say the year

been badly for the textile divi-sic but losses were partly recoered by an improvement since the end of September. This eratic trend is continuing in the seond half, and further losses ar expected.

The glove companies produced a latisfactory result, they say. Although changes made to the gbup in the last two years have pit it in a strong position to ope with the continuing difficult nditions and to take advantage t any upturn when it comes, the directors say they cannot optimistic in the short term.

Wintrust shows record £1.9m

ANOTHER successful year is Wintrust, bankers, with a rise in pre-tax profits from £1.72m to £1.93m, for the period to March 31 1982.

The successful trend in profits has continued, say the directors, during the first three month of the curent financial year and they have every expectation that profits for the full year will again be at record levels. The dividend has been lifted from 3.2p net to 3.55p with an increased final of 2.35p compared

At the interim stage pre-tax profits had improved from 1781,720 to £905,934 and the director then predicted profits for the full year at record

the L months were given as rising from 19.07p to 21.47p 12.51) to 11.79p after tax.
The increase in pre-tax profits for he period under review is not reflected in the after-tax resilt because there was an ahromally low tax charge of 32 per cent in 1981.

'ax this time took £818,676 aginst £554.864 and after tax posits slipped from £1.17 to £.11m.

var, the bank's subsidiary Wintust Securities was granted full ecognised banking status which significant step in the longer erm development of the bank

Baraoora up by 150%

With turnover up from £1.1m to £1.39m in 1981, pre-tax profits at Baraoora Tea Holdings climbed more than 150 per cent from £96,552 to £242.198. An interim dividend of 3.5p het per 5p share is declared but the directors say it is not Intended to recommend any further dividend for the year. The 1980 dividend was adjusted for last year's scrip

There was an extraordinary debit of £2,294 (pil). Stated earnings per share excluding this extraordinary item were 8.86p (4.4p adjusted) on a net basis and 10.89p (4.76p adjusted) on a nil basis. Tax took more at £114,569, up from £33.215.

New Zealand bulldog bond

"The £100m five-year "bulldog ond " for New Zealand has been priced to yield 14,456 per cent, a margin of 80 hasis points above the mean of the 131 per cent Exchequer Stock 1987 and the 12 per cent 13! per cent exchequer stock 1987 and the 12 per cent Treasury Stock 1987.

The New Zealand issue was priced at 99.345 and carries a coupon of 141 per cent. S. G. Warburg, the lead-manager, bad

expected on Monday to price the bond at a spread of 75 hasis points and said the slightly temmed from a weaker gilts f7m. narket.

Can. & Foreign int.
Renold

Castlefield (Klang) int.

Scapa Group

Redland Utd. Guaranteeint.

Utd. Guarantee int. 0.25 U.S. & Gen. int. 5.5 Henry Ansbacher 0.35

Whatlings int 1p
Wintrust 2.35
Crust house Forte int 1.5

Leopold Joseph 8.58

laker Perkins

F. H. Lloyd back in profit with £815,000

ment in the second six months, as compared with the poor performance of the corresponding look for a measure of improve-period last year, has been borne ment in the engineering out at F. H. Lloyd Holdings. companies. For the 53 weeks to April 3 1982 the group moved back into the black, returning pre-tax profits of £815,000, compared with a previous loss of £254,000. Losses for the first half amounted to £353,000 (the direchalf in their interim report) and

those for the second helf of 1980/81 £491,000. New chairman, Mr Lewis Robertson, who describes the results as modestly encouraging. says they reflect somewhat improved sales (up from £61.4m to £70.2m) together with sub-stantial cost-saving efforts by

operating companies.

For the future, he says it is too early to form a tentative assessment, but on present indi-cations profits at the trading level should be sustained, and perhaps slightly improved upon. He points out that the steel foundries outperformed the industry average in the year under review, benefiting from and commercial strengths, and current prospects suggest an at least maintained performance in 1982/83. He is

more cautious about the steel-mint-mills and rerolling sectors (ff.33m loss). the same as in 1980-81 in terms of sales and profits alike Steel furnover almost doubled, how-

Stated earnings per 250 share slipped to 2.2p (2.3p) on a net distribution basis but the dividend is being increased from 0.5p to 1p on consideration of the results and "prospects so far as these can be discerned." were boosted by other income of £149,000 (£90,000). Last time there were associate profits of

There was a tax credit this ime of £160,000 (£938,000 harge) which left the net palance hittle changed at 1655,000. compared with 1684,000. Minorities accounted for £125,000 (£138,000) and extraordinary debits totalled £221,000 (£16,000 credit). balance

sales and trading profits (£2.44m, against £1.2m) shows: foundries and services £32.65m (£32.96m) and £1,39m (£1.56m); engineering £17.61m (£18.09m) and ing £17.61m (£18.09m) and £931.000 (£972,000); and steel

difficulties encountered by the heavy engineering industries of the UK and the Western world, performance of the foundries and services division was commendable, and the group's reputation and commercial connections enabled it to out-

perform the sector. As a result of UK overcapacity the Cardiff foundry was closed, reflected in the extraordinary item of closure costs. Transferable work The pre-tax surplus for the 53 the extraordinary item of weeks was struck after exceptional debits of £508,000 was accommodated in other (£635,000) and interest psyable of £1.26m (£955,000). The results

bank borrowings were reduced from £8.5m to £6.2m. He says the 28.5 per cent interest in the company acquired by Cooper Industries during 1980-81 was subsequently made available for sale and the shares were placed in April this year with institutional holders. On a CCA basis there was a loss of £2.14m (£3.7m).

Surprising as it may seem, the wranglings and boardroom changes at F. H. Lloyd do not company from staging something and foundry divisions did much modified.

ever, and despite teething troubles in the reduction component of the new Wednesbur mini-mill the division delivere a turnround at the rading level of almost £14m. Of course, much of the group's 80 per cent income gearing derives from the invest-ment in Wednesbury, but at least both mini-miles are now running both minimits are now rulning profitably at between 70 and 80 per cent of capacity, while cash flow was strong enough to knock £2.3m off borrowings during the year. Although Lloyd claims that demand for its castings is better than the general experience may appropriate the recovery in steel may be a little shaky, in re-rolling, particularly, orders have dropped away markedly in the last month or so. Week to

week ordering has become almost custom and practice in the industry, moreover, masking out any underlying trend. The shares. any underlying trend. The shares, at a two-year low yesterday morning, pulled back 4p, to 31 lp, valuing Lloyd at 57 lm. Rationalisation in the steel eastings sector could change that a lot. And it may go ahead faster if Lloyd throws its workship behind the throws its weight behind the Lezards plan—which is might, if

Sangers incurs £2.94m loss for year

from the disposal of its wholesale pharmaceutical activities, but the board is quite certain that the group would have been in serious difficulties had the disposal not taken place and may well have been put into receiver-

As it is, Mr Mike Flinn, the insolvency specialist brought in as chief executive with a particular brief to rationalise Sangers' operations, calculated yesterday that he had "probably beaten the receivers by about three

The group in which Mr Tom Whyte is the largest shareholder, lost £2.94m before tax in the year to February 28 and incurred extraordinary costs of £2.51m chiefly in association with the 500 redundancies resulting from the

recommended

Another problem to hit the group, quite unbeknown to Mr Flnin and the new boardroom which has been assembled since the beginning of the calendar year, was the sudden dive into losses of the pharmaceutical agencies division. While their counterparts in Northern Ireland made further progress with profits of £321,000 against £263,000, the mainland operations were affected by the "gross inadequacies" of their management reporting systems.

The picture, which ostensibly had loked so bright at the interim stage, quickly darkaned by

Sangers has realised £2.91m wholesale pharmaceutical divi- January this year and Mr Flinn om the disposal of its whole- sion. That eliminated the group's and his colleagues have been balance on distributable reserve, urgently engaged in remedial which now shows a deficit of wrk. The Agencies in Britain £209,000, and no dividend is thus lss of £24,000 to a deficit of £887,000.

Continuing losses in these

operations as well as central still exceed the profit contributions from the remainder of the group," the new chairman, Mr John Briggs warns, "and our first task must be to complete the rationalisa-tion ,the full benefits of which should be felt in the current year with consequent reduction in borrowings." Mr Briggs, who describes himself as a professional non-executive director, was brought in at the end of March to replace Mr George

February balance sheet at £4.68m—against net worth of £5.17m—but Mr Flinn claimed that borrowings have since been halved on the receipt of the disposal proceeds and said that "if we don't sell anything else, we're in a zero borrowing sosition b ythe end of this year." He has, however, a vear." portfolio of freehold properties which he is deciding whether

With sharebolders' approval at an extraordinary meeting on July 29, the group wil lraise its borrowing powers from a sum equal to shareholders' sum equal to shareholders' funds to a sum equivalent to one The effect of the proposed change would be to lift the debt ceiling from £5.17m to

Courtaulds looks to maintain upward trend

GIVEN THE extent to which its business is still exposed to factors beyond management's short-term coptrol and the current sombre world economic scene, the pace of forward progress at Courtanids must remain uncertain, says Mr C. A. Hogg,

the chairman.
"However, we shall be very disappointed if we cannot now maintain an upward trend in his annual statement

As reported May 28, the group

£51.1m. Total turnover rose from £1.71bn to £1.79bn.

Mr Hogg says the past, two years have proved even more difficult than was anticipated.

During this period the group has had to write off a quarter of its trading capital employed and its UK workforce has declined by a third. Profits in real terms are still somewhat below what they were at the end of the 1970s, but the balance sheet and the cash position are much stronger.

received for land sold to Mersey

side County Council should make

a further redemption of at least 12p per £1 unit next year.

John Laing

performance

The performance of construc-

tion engineering group, John Laing, continued to improve, with UK home completions in

the first balf of 1982 substan-

tially higher than a year earlier. Sir Maurice Laing, the chairman

had reduced the income of all

potential customers, thus re-

ducing the company's market

climbed from £3.2m to £6.19m on turnover of £719m (£639m).

profits for

told the annual meeting.

improving

recovered strongly in the year The balance of the group's to March 31 1982 finishing with capital employed has continued pre-tax profits £46m higher at to shift away from the UK and

also away from textiles. The UK proportion has declined from more than 70 per cent of the total to 60 per cent over the past two years and the non-textile activities have risen from 20 per cent to 30 per cent over the same These shifts are the result of the board's determination to raise the group's return on its capital to economic levels.

With regard to the balance between textile and other activities, the past two years have seen the latter receive a dispropor-tionate share of new capital invested and this may continue

expects continuing improvement in profitability in the UK and will continue to invest in UK operations which are well founded, the chairman says it is clear that growth in sales volume will be very tough to achieve.

Following its aim to find better opportunities overseas to build on its strength, Courtaulds has recently announced the formation of a company in the U.S. which has, as its specific purpose, the development of new interests for the group in the chemical industry and related fields.

Mersey Docks sees little improvement in trading

THE PORTS trade has shown when whole amounts will be paid little improvement over last but an advance payment of compens so far this year Sir John pensation and £200,000 already Page chairman told members at the annual meeting of the Mersey Docks and Harbour Company.

Owing to the problems in S. Atlantic, the company will lose some S. American trade, mainly Argentinian, and some other trade in that area could be affected by the crisis.

Due to present import controls imposed by the Nigerian government the directors expect the company's trade with that country to be appreciably reduced in short term and the effects of this are just beginning to show in the trading figures. These losses have been partly offset by new trade, but overall there has been no improvement in the company's position.

Sir John said the company cannot continue making losses as it would not have the funds necessary to carry on in and increasing competition, he business. Every effort is being said. made to become viable next year, especially as the government is not going to give the company any more repayable grants to cover trading losses

its organisation, concentrating operations and ceasing cargo handling at Birkenhead. In respect of land sales, the total which the company expects to receive lies between £3.5m and

It is not possible to predict

DIVIDENDS ANNOUNCED

Current of payment

1.15

July 19 Aug 10

Oct 1

hvidends shown pence per share net except where otherwise stated.

Equivalent after allowing for scrip issue. † On capital nereased by rights and/or acquisition issues. ‡ USM Stock-No further dividend this year. ¶ Interim in lieu of final-

Sir Maurice said the com-pany was heavily committed in the Middle East, where the wars in Iraq and Lebanon had caused great uncertainty throughout after the end of this year.
The company is rationalising the region.

- 6 5.1 5.1 10.45 10.45

BANK RETURN

Increase (+) or Decrease (-) for week BANKING DEPARTMENT 14,553,000 38,160,460 538,140,263 1,881,842,119 2.472,695,849 53.186,899 107,800,000 21,220,563 52,511,942 1,041,523 39,273

ISSUE D	EPARTMEN'	ľ	
Liabilities	£	-	E
Notes Issued	10,700,000,000 10,878,878,550 21,121,450	+ + +	28.000 000 23,958,477 1,041,523
Assets Government Debt Other Government Securities Other Securities	11,015,100 5,350,278,627 7,338,706,275	· -	57,947,047 12,947,047
	10,700,000,000	÷	25,000,000

2,472,895,842

Leopold Joseph lower -but holds payout

1982 was £594,000 after tax and a transfer to inner reserves, compared with £644,000.

8.577p net per £1 share repeats the total of 10.452p.

totals at £157m reflect the sub-statuial volume of business. The increase in acceptance credits at £32m (£7.5m) is closely associ ated with the addition of Leopold Joseph & Sons to the list of banks whose acceptances are eligible for discount at the Bank

of England.
This took place in December

GROUP PROFIT at Leopold financial year, but it has con-Joseph Holdings, merchant bank, siderable helpful implications. for the year ended March 31 for future business, the chairman

(£34,000), attributable profits came to £550,000 (£610,000). Retained earnings are £275,000

considerable volatility all year, the group practised a conserva-tive policy of shortening maturi-ties and closely matching shortterm assets and liabilities, to minimise the possibility of losses. The result has been smaller profit margins, but the directors remain convinced that this is the correct approach.
The consolidated balance sheet

and the group could benefit only in the closing months of the

Activity in foreign exchange suffered from strong competition

A maintained final dividend of 1.577p net per £1 share repeats he total of 10.452p.

After minorities of £44,000 year. The subsidiary in Guernsey (£34,000), attributable profits summered from strong competition and very low margins but huvestment services and corporate finance both had a successful year. The subsidiary in Guernsey again reported record results.

The current economic recovery (£335,000)

Mr R. Herbert, chairman, says
tion in unemployment, Mr
that, as interest rates showed
considerable volatility all year,
the response for inflais weak and the outlook is still improve the prospect for infla-tion but the U.S. recession gives cause for concern.

However, the group has no exposure to the sort of international and other risks which give cause for concern elsewhere, and he concludes that it is well placed to take prompt advantage of any profitable opportunities that occur.

Brengreen ahead at £0.9m and predicts more growth

Mr David Evans, chairman, on says that the group has made a strong and encouraging start to the year. Further tenders have already been submitted for cleansing services and more are in the pipeline. There has been a substantial

demand for the group's services abroad, says Mr Evans: The group is working in Kuwait and Saudi Arabia and has already secured contracts this year with

operations at Southend are better than had been anticipated. Additionally the contract for Eastbourne Council was secured. Expansion in commercial cleaning in the year under review has continued both by internal growth and acquisition, says Mr The dividend has been raised

from 0.7p to 0.8p net after the payment of a final of 0.4p. At the interim stage profits rose from £302,000 to £425,000 and

the 12 months were shown as rising from 2.86p to 3.91p basic, and 2.48p to 2.91p fully diluted. Pre-tax profits were struck after exceptional debits this time of £232,000, which included a payment to a former director of

The agreement to acquire Boien Decorations has been rescinded since their accounts fell short of those anticipated The directors have decided, in view of the potential growth in

COMMERCIAL cleaning again provided the backbone of turnover at Brengreen (Holdings), which advanced 40 per cent from 117.76m to £24.55m, according to the directors. Pre-tax profits improved from £717,000 to £862,000 for the year to March 27 1982.

Mr David Evans, chairman.

on a premium of £737,000 on investment in subsidiaries written off and £194,000 cost of closing the decorating division, a total of £931,000. The directors assess that non trading costs of the decorating division closure came to not less than £120,000. Loan stock interest was reduced from £35,000 to £13,000. There was a tax charge last time of £115,000. After tax profits

emerged higher at £862,000 against £802,000. After minorities and extra-ordinary debits, available profits came through lower at £461,000 compared with £801,000. Dividends absorbed £251,000 (£172,000) and the transfer to reserves was reduced from

feserves was required from £429,000 to £210,000.

On a current cost basis the pre-tax result was reduced to £797,000 (£560,000) and earnings per share were given as 2.78p (2.59p) basic and 2.69p (2.22p)

• comment

judging by the share rating the 40 p the yield is 2.8 per cen and the fully taxed p/e is 31. Brengreen has backed its losty position with turnover up by 38 per cent and pre-tax profits up by 16 per cent after excep-The company is concentrating on its cleaning and rubhish collection services and particularly on developing ublic sector contracts. for local and central govern-ment accounted for 40 per cent and Brengreen gains advantages from public sector deals. First, contracts are for a minimum three years compared to the week call off period on its shop cleaning contracts. Secondly, the contracts are linked to wage increases in order to help maintain tracing margins. However, the likely

local authorities' commitment to privatisation, could entice other

contractors in and margins could

tighten. Brengreen was undercut, for example, in its tender for Wandsworth and faced severe

BOARD MEETINGS

Speck Exchange. Such meetings are usually held for the purpose of con-sidering dividends. Official indications are not available as to whether the dividends are interesting of Spale and dividends are interims or finals, and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

FUTURE DATES

Trusthouse Forteme

Interim Statement for the half year ended 30th April 1982

	Half Year	Half Year	Year
	to 30th April	to 30th April	to 81st October
	1982	1981	1981
	Em	- 2m	£m
Trading Receipts	<u>401.9</u> ′	<u>364.6</u>	833.1
Gross Trading Profit Depreciation	38.2	36.4	104.9
	(14.5)	(11.1)	(25.8)
Trading Profit Interest	23.7	25.3	79.1
	(11.6)	(11.3)	(26.8)
Profit before Taxation Taxation (estimated)	12.1	14.0	52.3
	<u>(3.1)</u>	<u>(3.8)</u>	<u>(5.2)</u>
Profit after Taxation Minority interest	9.0	10.2	47.1
	(0.4)	(0.6)	(2.9)
Profit (after taxation and minority interest)	<u>8.6</u>	<u>9.6</u>	44.2

The above figures are unaudited and accounting policies are as stated in the last annual accounts. The greater part of the year's profit is always produced in the second half of the financial year.

Trading is currently ahead of last year after a disappointing first quarter and with this improved trend continuing we look forward to a good second half year. Performance in Great Britain has been strong, particularly in the London luxury hotels which are well ahead of last year (30%). During this first half year

economic conditions in the U.S.A. have affected sales overseas generally. Despite this, Trading Receipts are well up and Gross Trading Profit for the half year shows an improvement of nearly £2 million. The larger depreciation charge is due to the improvement and development of the Group's assets, the

benefits of which are already beginning to show. The interim dividend is maintained at 1.5p per share.

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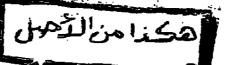


BANQUE PARIBAS

On 25 June 1982 Banque de Paris et des Pays-Bas changed its name to Banque Paribas

London Office: 33 THROGMORTON STREET LONDON EC2N 28A Tel: 01-588 7657

PARIS 2E FRANCE



Lonrho 'victory' at Fraser AGM

BY JOHN MOORE, CITY CORRESPONDENT

trading group, went into battle yesterday with House of Fraser. in which it is the orggest share-holder, at the annual general, meeting Afterwards, the group headed by Mr Roland "Tiny" Rowland said: "Taken as a whole, the meeting was a victory for Lonrho."

Lonrho said: "As a result of

the strong views expressed to Professor Roland Smith (chairman of House of Fraser) by
Lourho and major institutional
shareholders, he was obliged to
give assurances which virtually
concede the demands of
Lourho."

The meeting, which lasted over an hour, was punctuated by numerous exchanges between Professor Smith and Mr Edward du Cann, the Conservative MP who is a director of

Lonrho was challenging House of Fraser directors right to issue shares.

It had put on the agenda two ordinary resolutions. One said the issue of shares should be conditional on receiving shareholders' approval. The other resolution said any offer the group received should be put to the shareholders by the Fraser directors.

resolutions were discussed that the board had received shares Mr Paul Spicer, a Lonrho representing 65m votes opposing director, said Lonrho had disting the Lonrho proposals. In favour cussions with various institutional shareholders during the holders holding 57m votes, in-cluding 45.5m representing the holding of the Lonrho group.

Mr du Cann, on behalf of Lonrho, warned that Lonrho would call for a poll on the two resolutions, and would oppose three resolutions proposed by House of Fraser. One ordinary resolution related to the directors' rights to issue unissued shares under the provisions of

sought to adopt new articles of

association. to diversify. There is no inten-Professor Smith, introducting than to diversify. The diversifi-his board's resolutions, said cation argument arose in a

Interim Report

Profit before taxation

Profit after Taxation

Less: Minority interests

Profit attributable to Shareholders

Dividend - Interim (1.50p per share)

satisfactory results for the full year.

potential with confidence.

in Manston Development Group

Edgbaston, Birmingham, B151TS.

Limited, will enable the Group

to take full advantage of

opportunities for growth

in earnings and assets.

Limited and Espley-Manston

Earnings per share (based on the weighted average

Comparative figures for the six months to 31st March, 1981 are

not available as the company commenced trading on 20th

Statement by Mr. R. A. Shuck,

Chairman and Chief Executive The Group's performance in the first six months of the current

financial year indicates that we are well on course to achieve

Dividend: The Directors have declared an interim dividend of 1.50p per ordinary share, which will be paid on 2nd September.

Review: We have maintained a policy of expanding commercial

and industrial property development and investment activities and

will shortly commence development of a major project in

Gloucester Street, Bristol, comprising 117,000 sq. ft. of quality office accommodation, being funded by the Prudential Assurance

Company. Investment value of the completed scheme will be

Overseas, Espley-Tyas companies in Europe and North America

are making satisfactory progress and we view their long-term

Construction activities continue to make a significant contribution

to profits. A healthy order book will see us well into next year, emphasis being on negotiated design-and-build projects.

Prospects: The recently-announced corporate and manage-

ment restructuring following acquisition of the minority interests

1982 to shareholders on the Register at 2nd August, 1982.

of 11.6m shares in issue during the period)

Less: Taxation

Retained Profit

February, 1981.

£14m.

Turnover

Espley-Tyas

Professor Smith said: "I have no intention of issuing paper when the net asset value of the business is twice the share price as it stands today.
"In practice the board would

obtain a further sanction from shareholders before using the authority to issue shares in such a way as to involve a significant geographical diversification or a significant change in the busi ness of the group from its present activities. That wording and that condition is acceptable

He said the authority con-ferred upon the board would last one year only. The board would then ask shareholders for it to be renewed. The resolutions proposed by Lonrho, he said, would nullify the resolutions pro-

posed by the board.
Mr du Cann reminded Professor Smith that Lourho was still interested in taking over House of Fraser.

"While this company is the subject of a bid possibility it has no business in the sort of circumstances we are experiencing here substantially changing in any way its shape or form." Mr du Cann argued that is was Although Lourno holds 29.99 clear from what Professor Smith per cent of the Fraser equity, had already said that institutional shareholders accepted that

These institutions have told us that you have given them certain additional assurances regarding the issue of shares. These assurances have been so reassuring that the institutions have decided to vote in favour of the House of Fraser resolu-

Mr Spicer asked what these assurances were, to whom, and on whose authority they were the 1980 Companies Act. on whose authority they were A special resolution related to given, and why they were not directors' rights to issue given to all shareholders. ity under rights issues. Professor Smith said "The Another special resolution pro- assurances were given to a posed by the Fraser board number of institutions on the basis that we were not intending

Half-year to

31st March

(Unaudited)

£'000

1,119

399

720

197

523

LONRHO, the multinational sidering any acquisitions which to explain to the institutions that trading group, went into battle would lead to the issue of shares. diversification was not in our plans and not our intention. plans and not our intention.

Lonrho called a poll on all the contested resolutions, the results of which will be announced today. But the Lonrho resolutions have been lost, although the two special resolutions proposed by Fraser, requiring 75 per cent problems.

natorities looked certain to be defeated by Lourho.

Professor Smith said: "That is not serious and is not very significant as far as the company

is concerned. Unfortunately we will not be able to bring our articles of association up to date But we are not working illegally."

He said Lonrho was trying to constrain the House of Fraser board in such a way that Lonrho's own holding would be undiluted.

During the masters he call.

During the meeting he said that, although is was too early to assess the outcome for the year, the first-quarter figures were marginally ahead in real. terms of the same time last year.

BPCC increases stake in Bemrose

British Printing and Communi-tion Corporation (BPCC) cation Corporation yesterday announced further purchases of Bemrose Corporation shares while Bunzi said its bid had netted it less than 1 per

cent of Bemrose's equity.

Bunzl, the paper and packaging group, has extended its offer to June 30. This is more an attempt to assess Mr Maxwell's intentions than hope of increasing acceptances, according to

Stockbrokers Grieveson, Grant said they bought 75,000 ordinary Bemrose shares on Wednesday at 127 19/32p each, taking

acceptances from holders of 90,308 shares of Bemrose, equivalent to 0.8 per cent of the equity, and from holders of 42,872 preference shares, or 20.7

Bunzl's original offer for printer and packaging company Bemrose was worth £13.8m but a decline in Bunzl's share price has since reduced the value of its convertible loan stock to around £13m.

We would be waiting to see if Mr Maxwell advances any BPCC's holding to 1.4m shares Bunzl's managing director.

Ferranti buys in the U.S.

Research Equipment, of Massachussets, for around U.S.S6m (£3.46m). Ocean Research has two subsidiaries; one designs and makes underwater acoustic equipment, the other services small

The company will fit in with

In its last financial year. Ocean search generated sales of some \$7.5m and after tax profits of around \$600,000. The Ferranti offer, which is subject to defini-tive agreement by both boards and by Ocean's shareholders, is worth \$5.50 a share.

FOSTER WHEELER

Foster Wheeler Power Products of London has acquired an 80 per cent holding in the Leeds water tube boiler company, Gibson Wells. The remaining 20 per cent will be kept by Gibson Wells founder directors, Mr T. Gibson and Mr C. Wells. No major change will take place in Gibson Wells, but the expansion of the company can now take place without the

restraints which previously dietated the rate of growth. Foster Wheeler wishes to become involved in the smaller end of the industrial water tube

SATURN LEASING

Saturn Leasing, a member of Mercantile House Holdings, has repurchased the 25 per cent sharehtolding in Saturn Lease Underwriting held by United States Leasing International for

ALLIED PLANT

Allied Plant Group has agreed to acquire United Forktrucks. The price is expected to be £210,000 paid by £110,000 in cash (which at APG's option may be raised in whole or in part by the issue of £1 preference shares) and £100,000 in 10p ordinary

The net asset value of UFL is expected to be not less than £180,000 and UFL's profits for this year are expected to be about £60,000.

NO PROBES The proposed acquisition by

Glynwed International of Ductile Steels is not to be referred to the Monopolies and Mergers ommission. Additionally the mergers

between Electronic Rentals Group and London and Montrose Investment Trust and between Imperial Chemical Industries and certain assets of Lonza are not to be referred.

SHARE STAKES

Whesse Holdings — Colguy Holdings has acquired 150,000 (0.83 per cent), and now holds Donald I 2,045,000 (11.32 per cent). Hold-ing company of Colguy is ordinary. Newarthili

(5.01 per cent).
Thorn EMI — Prudential Corporation was interested in poration was interested in 9,328,816 ordinary (5.35 per cent) as at June 16 1982.

Coats Paton—Prudential Corporation is interested in 17,085,127 ordinary (6.17 per Bishopsgate Trust - Equitable Life Assurance Society has increased its beneficial holding

to 1.82m ordinary (7.71 per John Waddington - Britannic Assurance is interested in

860,000 ordinary shares (13.74 per cent). (5.38 per cent). Registered holders are Prudential Nominees

Globe Investment Trust—Coal Board Pension Funds Holdings is interested in 40,599,043 ordinary (24.83 per cent).

Spencer Gears (Holdings)—
Hoveringham Pensions disposed of 50,000 shares on May 24 1982 and therefore no longer has a continuous first of the continuo Lyon and Lyon - Prudential Corporation is interested in com-pany's ordinary shares as to

Prudential Nominees: 157,500 shares; Kingman Nominees: 157,500 shares; making 315,000 (9.84 per cent). 10,000 ord English and International Trust to 50,000. -Pearl Assurance is the bene-ficial owner of 519,848 ordinary

(5 per cent).
Great Universal Stores —
Prudential Corporation holds Espley-Tyas Property Group plc

403,365 ordinary (7.41 per cent). A. G. Stanley Holdings -- Mr Donald Kevin Brown, company secretary has sold

Britannic has acquired an interest in 1,005,000 ordinary (5.24 per cent).

Ladies Pride Holdings — Ladies Pride Holdings (5.01 per cent). De La Rue-Prudential Corporested in 587,000 ordinary (6.93

per cent).
John Brown and Co.—Prudential Corporation's notifiable interest is 7.34 per cent which represents a holding of 9,619,351 ordinary.
Queens Moat Rouse—Prudential Corporation holds 5.78m per cent).

669,000 and Kingman Nominees

tial Corporation holds 5.78m ordinary (6.51 per cent).

Repworth Ceramic—Prudential

ADS was founded 10 years Corporation holds 7.91m (5.03 per cent).
T. Clarke—Prudential Corporation holds 655,000 ordinary (6.669 per cent). Saga Holidays — Prudential Corporation hold 969,000 ordinary

Jimmy Andrews. It employs 70 people and trades from a 100,000 sq ft factory. Customers include steelmakers and manufacturers of oilfield, agricultural and mining equipment.

Yorkshire Spinners buys wool

Yorkshire Fine Woollen Spin-ners is to make an agreed £662,000 bid for the entire share capital of Sykes Booth, a wool broking and merchanting com-Yorkshire Fine's shares were temporarily suspended yesterday

at the company's request at 21p.
Provided the net assets of
Sykes are confirmed as being
worth not less than £580,000 on
June 30. Yorkshire Fine will pay £162,000 in cash, Barciays Mer-chant Bank said. The balance will be met by the

The balance will be met by the issue at par, credited as fully paid, of 2.28m ordinary 20p shares and 44.000 11 per cent rumulative redeemable convertible preference shares of £1 each of Yorkshire Fine.

Mr. Philip Sylves, a director and Mr Philip Sykes, a director and shareholder of Yorkshire Fine.

broker

snareholder of Yorkshire File, has a substantial interest in Sykes Booth. Profits attributable to the ongoing interests to be acquired by Yorkshire Fine, before tax and before an extraordinary credit, were £102,000 in the year ended December 31.

About one-third of Sykes About one-third of Syke Booth's turnover is represented by transactions with Yorkshire Fine, in which Sykes holds 147,000 ordinary shares, 30,000

11 per cent cumulative redeem-able convertible preference shares and 14,000 3.5 per cent cumulative preference shares. These holdings will be disposed of upon the acquisition of Sykes

by Yorkshire Fine.

Mr Sykes wil lhold 29.8 per cent of voting rights in Yorkshire Fine after the proposed acquisition and after certain share disposals. He will enter into a five-year service contract Yorkshire Fine will also sel and lease back Greenhill Mill housing its woven upholstery velvet activities, to Creditforce for £200,000. Creditforce will grant a 50-year lease for an initial £33,000 annual rent, reviewable every five years.

Creditforce holds 170,000 11

per cent preference shares of Yorkshire Fine and has agreed to acquire a further 82,719 from

Singer sells MAM shares

ENGELBERT HUMPERDINCK the singer who first shot to fame in the 1960s, has sold 120,000 of his shares in Management Agency and Music, the show

business and leisure group.

Mr Humperdinck, who together with stars such as Tom Jones and Gilbert O'Sullivan used to be among MAM's major assets, is still an important shareholder, with 500,000 shares or nearly 7 per cent of the

At the recent 93p price of MAM's shares his sale would have been worth more than £111.000.

The stars' earnings have declined as a share of MAM's revenue in recent years and are the area was opened to them with both Mr Jones's and Mr Humperdinck's contracts due to expire next month. MAM's earnings now depend on a wide range of activities including juke boxes, amusement machinery and the Burger King fast-food

DAVID BROWN GEAR David Brown Gear Industries has acquired ADS Manufactur-ing Corporation of Milwaukee, Wisconsin, for an undisclosed

David Brown intends to use ADS, which makes gears, as an outlet for its own products in

ago by two brothers, Jerry and

Weak tin price leads to redundancies at Geevor

He made no secret of his fears that Geevor might have to be closed down and put on a care and maintenance basis unless there is a recovery in the tin price above the £7,000 per tonne and General Workers Union, confirmed yesterday that he had been given a list of the men due to be laid off.

He added: "We had been given a list of the men due to be laid off.

to be laid off.

He added: "We have a very serious situation in the industry," reports our Bodmin correspondent. Mr Foster, who played a lead-

ing part in saving the Wheal Jane mine after Consolidated Gold Fields pulled out in 1978,

a cusaster for the western end of the Land's End pentusula, where the mine is situated, an area in which other employment opportunities are virtually opportunities are virtually non-existent

Although the job losses are sight in relation to Geevor's Consolidated 370-strong worldorce, they are at Callington.

REAL EVIDENCE of the effect is known for its moderate views indicative of the Cornth fin on the Cornth tin mixing and his desire to co-operate with mining industry's plight, industry of the current metal managements in keeping the Mr Jim Raper, who outrols price weakness is expected today in the form of redundancies at existence.

Cornish mining industry in the South Crofty operatio, said in the form of redundancies at existence.

He made no secret of his fears might be necessary if the tin price stayed below the 7,000. level, aithough South trofty could probably struggle alog for about a year before lay-off-were

needed.
The 17,000 level is geneally accepted by the Conish Chamber of Mines as the heak-even price for the county tin producers, which curretly employs about 1,600 people. If there is a sustained employs about Loop people.

If there is a sustained recovery in the price, this figure will get a big boost with a further 300 jobs within a ew years at Dundonian's Southwest Consolidated Resources project

Hampton Areas in coal venture

THE UK-REGISTERED Hamp-ton Gold Mining Areas has joined a consortium to produce coal from one of the biggest waste tips in existence.

The partners in the joint venture are the Glasgow-based Alexander Russell, which has considerable experience in this field of operations, and Mineral and Energy Resources (Merco), a private company.

Pennsylvania.

honing anthracite mine, which was in operation between 1880 and 1930, and is reported to contain more than 20m tonnes of coal-bearing material.

in the mines. It resulted in legislation, which is still in force, ensuring job reservation

-A statement from the Chamber

said that the unions had made

it clear that they were "not-

homing Coal Corporation at a total cost of \$3.7m (£2.14m). (Nescoal), which has been set. The intention is to upgrade this up to ecquire and operate plant to a capacity of 100,00 leases over a coal tip on a 260 tonnes of coal a year in the first acre site in Carbon County, instance with the possibility of plant to a capacity of 100,00 toppes of coal a year in the first instance, with the possibility of further expansion later.

Hampton Areas and Russel

The tip was formed from are each contributing \$1.15m is cash for their stakes in Nescoal Merco will put up \$500,000 and act as manager for the project. The remaining 10 per cen stake will be issued to Mr. John Each of the partners will take coal-bearing material.

Stake will be issued to Mr John D. Howley Jnr, the current a 30 per cent interest in a new Nescoal will also take over a owner of Nescoal, who will act heavy media coal recovery plant as chairman.

prepared to take into account the state of the industry or the national economy, and were not

prepared to detiate significantly

The current low gold price of

around \$300 per or has placed many of South Africa's gold mines in jeopardy, and is already

beginning to have ar impact on the country's economy.

wage rises which many of the mines could not afford, would

be very damaging indeed.

EUROPEAN OPTIONS EXCHANGE

Vol. | Last Vol. | Last Sock

A prolonged strike or even

from the minimum demand of a

SA miners move closer to strike

SOUTH AFRICA'S white mine call the ballot after pay talks workers have taken a further with the Chamber of Mines had step towards strike action with broken down. The Chamber, step towards strike action with which represents employers, prepared to deviate sig offered rises of 9 per cent, while from the minimum den the unions wanted 15 per cent. 15 per cent increase." the decision to hold a ballot on industrial action on July 7.

Mr Arrie Paulus, chairman of the Council of Mining Unions, said the Council had decided to The last big strike by white mineworkers was in 1922, over plans to use cheep black labour in the mines, it resulted in

ROUND-UP

South African gold output declined last mouth, according to the latest figures from the Chamber of Mines. Production totaked 1,757,568 ounces in May, down from 1,763,514 oz in April. The figure is, however, higher than the 1,744,473 for May last

The cumulative total for the first five months of the year at 8,631,882 oz is running slightly below the 8,734,208 oz at the same stage of 1981. Enpressa Nationale Adaro de Investigationes Mineras (Enad

isma) of Spain has reached tentative agreement with PN Batubara, the Indonesian state owned coal company to min coal in south-east Kalimantan Negotiations are still in progress.

Three contracts to mine coal in Kalimantan have so far been signed with foreign groups since

The agreements allot 13.5 pe cent of the coal produced to the Indonesian Government the right to export the remainde after the government has had first option to purchase a current international prices.

The No 5 dredge of Malaysia's Kamunting Tin Dredging will be shut down from the end of July, as a result partly of the low tin price and partly the reduced production from poor grade ground,

Kamunting, which is under the control of Malaysia's Pernas Charter Management, said the the recent imposition of export controls.

Thus continued operations were expected to result only in further losses, and the dredge will be put on a care and main-

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BASE LENDING RATES

BASE LEND	·
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Bank of Ireland 121%	Lloyds Bank 1210
Bank Leumi (UK) plc 12196	Mallinhall Limited 121%
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Bank Street Sec. Ltd. 14 %.	Midland Bank -1216
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Banque Belge Ltd. 1219	Morgan Grenfell 1210
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Barclays Bank 121%	P. S. Refson & Co 1216
Beneficial Trust Ltd 1319.	Roxburghe Guarantee 13 %
Bremar Holdings Ltd. 131%	E. S. Schwab 13 %
Brit. Bank of Mid. East 121%	Slavenburg's Bank 1210
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Canada Perm't Trust 13 % Castle Court Trust Ltd. 13 %	Trade Dev. Bank 121%
Castle Court Trust Ltd. 13 %	Trustee Savings Bank 1210
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Laidlaw ... 13 % is Glyn's ... 121% is Cs. Ltd. ... 121% Bank 121%

These shares having been sold, this appoundement appears as a matter of record only



Copies of the Interim Report are available from:-

J. M. O'Connor, Esq., Espley-Tyas Property Group plc, Elizabeth House, 43, Calthorpe Road,

(incorporated in Denmark with limited liability)

issue of 150,000 B Shares of DKr 50 nominal each

The undersigned arranged the private placement of these shares with selected professional investors principally in the United Kingdom and the Netherlands.

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BANKITECN.Y.



Danish Kroner 45,000,000

CHRISTIAN ROVSING A/S

at DKr 300 each

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Fecse 622 |
Gal. Preciados 28 -2
Nidrola 60.2 +1.2
Iberduero 51 +0.5 |
Petroleos 73.5 +0.5 |
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tial Corporation interest 1.1m shares (6.08 per cent).

(held as Glyn Mills Nominees), disposed of 600,000 ordinary re-ducing holding to 50,000 (0.005 per cent), in name Tyn-Vol. dail Pensions Nominees. R. F. Erith, a director, acquired 10.000 ordinary bringing holding Caparo Industries—Caparo Group purchased 200,000 ordinary making 23.69m. 110 62 27 2 9 33 2 1 51₂ Hoskins and Horton—Claxton and Garlands interest 635,000 ordinary (23.8 per cent).

GR Holdings—Prudential Corporation has 6.3 per cent holding being 134,000 shares in the name of Prudential Nomineer. 10 225p of Prudential Nominees and 126,500 in the name of Kingman Nominees.

Molins—Prudential Corporation interested in 5.04 per cent being 894,738 in the name of Prudential Assurance, 10,000 in Vanburgh Pensions, and 572,000 in Prudential Nominees.

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LONDON TRADED OPTIONS

June 24 Total Contracts 1380 Calls 979 Puts 401.

Oct

Why job turnover is so important for profits

candidates in different parts of the country is all very well, but

Hargreaves prefers to use com-puters to identify growth areas

in the jobs market, such as

electronics, heavy goods vehicle drivers and "other sectors which

unnecessary. As Bernard Marks points out: "It is clear that

there are areas where certain skills are in great demand, and

that does not mean just word-processing. Legal-audio secre-

taries can name their own price

Although there will always

be shortages of skills in certain

areas, it is equally true that the market in which the agen-

cies operate has been shrink-

ing. More painful still, their share of that market has itself been eroded. The "culprit"

This month the "Report on

the General Employment Service" was submitted to Sir

Derek Rayner and the chairman

of the Manpower Services Com-

mission, it reported that over the last five years the private

employment agencies' share of

the engagement market has almost halved, and that all the

major agencies are currently

losing money. It argues that a

contributory factor is public

sector competition, particu-

at the moment"

I wouldn't want to disclose.' This air of mystery is perhaps

labour in this country

Dominic Lawson

THE RECESSION has dealt a severe blow to the profit-ability of Britain's employment

Mr Bernard Marks, chairman f the Alfred Marks Bureau ince 1946, describes the since 1946, describes the results of employment agencies over the last 18 months as "disastrously bad. Last year staff turnoveh fell by a third. Registration of jobs with agencies is about a quarter of 1979's level. In the peak year of 1979's verecorded a jobs-to-amplicants ratio of 13 to 15. amplicants ratio of 13 to 1. In November 1980 the trend line crossed. Now the ratio is 1 to 2. If you don't get volume, then you are left with very high fixed

a cyclical business with high fixed costs, fluctuating profits are only to be expected. But last year both of the two publicly quoted companies whose main business is in this field, Reed Executive and Brook Street Bureau of Mayfair, made record losses. Brook Street lost £1.53m pre-tax, while Reed Executive lost £1.9m, and passed its final dividend for the second year running.

Total unemployment figures are not the heart of the probiem for the agencies, but job turnover, and the main agencies all remark on the decline in the number of applicants. "We want more turnover in the job market, but that will only happen when confidence returns to our potential applicants" says Alec Reed, chairman of Reed Executive.

Ten years ago Alec Reed recognised the need for a source of earnings not completely dependent on the pendulum of the business cycle. The result was a drugstore subsidiary, Medicare, which now accounts for almost 40 per cent of Reed Executive's turnover. and two thirds of its capital.

So far, so good. But Reed's idea, while fine in theory, has not yet been justified by results. Medicare has never yet been anything but a loss-maker. In 1980 it lost £382,000 and last year £105,000. At least the trend is improving. Alec Reed feels the diversification will be proved right: "This year Medicare will show a small profit, and in 1983 it will make an

appreciable profit." Bernard Marks sympathises with Reed's strategy, and argues that "Medicare will ultimately come good." In fact the Alfred Marks Bureau made a similar

While Mr Marks — "Mr Bernard" to his staff—does not disclose the precise figures involved, he claims "we are now among the top ten cleaning contractors in the UK and we are now pitching for local authority contracts with every hope of success.

Brook Street has resolutely remained purely an employment agency, and is prenared to draw in its horns when cyclical decline sets in, though this has meant a contraction in the branch network. Mr Edward Hurst, a director of Brook Street concedes "our business depends on the rate of increase in employment and in this recession the rate of increase in unemployment has been more rapid than ever before. But Mr Hurst gains some bleak satisfaction: "We entered the downturn with £3m in cash and undervalued freeholds; therefore in a sense we benefit from has been the public sector, these difficult times—it's lougher for our competitors. primarily the Jobcentres. these because they have less money

However, not all companies involved in the employment agency business have experienced that sinking feeling of reserves being whittled away. Hestair's employment bureaux division - SOS Bureau - managed, despite its name, to make a pre-tax profit of £527,000 last year. Hestair chairman Mr David Hargreaves claims that compared with the results of others in the field, this performance was "truly remarkable."

Hestair's strategy has been to limit SOS Bureau's branch network to towns with populations above im, and to avoid marginal operations in smaller towns. In London, where price competition is intense, SOS is very thin on the ground. In central London according to Mr Hargreaves "you have to be in shops, but we believe in having first floor offices, with no invest ment on interiors and shop An essential part of the operation is that SOS Bureaux are concentrated in areas with flourishing local newspapers, in which the business can advertise its services and locations.

Brook Street and Alfred Marks have each invested hundreds of thousands of pounds in setting up a computer system which enables them to match up applicants with vacancies across their entire branch networks. The attempt at attaining a less ultra cost-conscious Mr Harcyclical pattern of earnings, greaves describes this develop-when in 1973, it diversified into ment as a waste of money: "a contract cleaning. computer system matching



Hestafr's David Hargreaves (left); SOS Bureau's "truly remarkable" performance; Bernard Marks: Jobeentres are "wasteful palaces; Alec Reed: "more turnover in the jobs market"

non-manual market has drop-ped to 7 per cent, and to less than 1 per cent of the manual

market. The Rayner Report points out that "the private agencies

larly in the "temps" field, regard the public employment consider that the According to the Report, the service as unfair competition employment service employers paid for by the tax-payer. They are also critical of the size and siting of Job-

consider that the public employment service should ing for permanent or short-term vacancies; neither should it withdraw from the short-term service it offers, and separate in the temp area." Mr Allen marketing of "temps" services draws attention to one

describes the Jobcentres enormously wasteful palaces in high street positions paying excessive rents" calls the Rayner Report "marginally disappointing; something more draconian was indicated."

Mr Alec Reed attacks the Jobcentres on political grounds: Jobcentre are an indistrated on those areas of the riminate subsidy to employers. market which are not sufficriminate subsidy to employers. They have a senior secretaries division in Victoria, they advertise in The Times. What the hell has that got to do with the public sector, the fortunes being a social service?"

the public sector, the fortunes of the private employment

Mr Edward Hurst agrees with agencies ultimately depends on Alec Reed that the Jobcentres should spend more time and effort on getting jobs for school leavers, and less on "the easier to place." Naturally such a policy would benefit the private employment agencies more profitable permanent jobs more directly than any particular section of the workforce, but Mr Hurst has some sympathy for the predicament of the Jobcentres: "They are of the Jobcentres: under tremendous political pressure to play the numbers game and place as many people in jobs as possible."

Mr Leonard Allen, Secretary General of the Federation of centres." engagement market However. Personnel Services, is money, but The Rayner Report conthe Employment Services Divi- "reasonably bappy with the to see the cluded that "we do not sion should stop using the Rayner Report—it vindicates 1973 again."

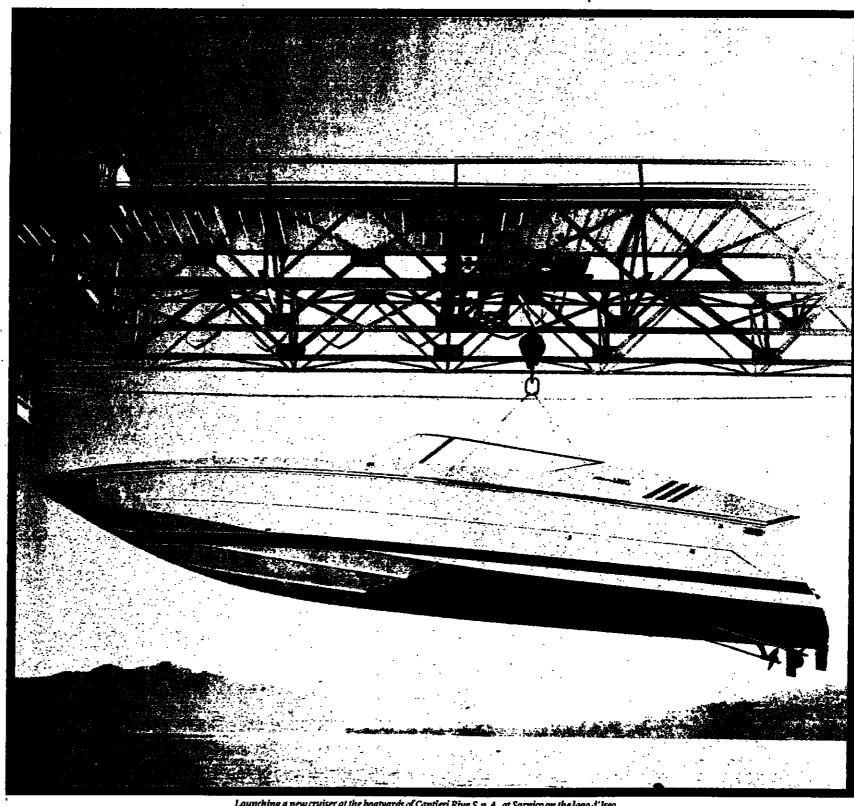
word "temps" to describe the our view on Jobcentres, at least particular section of the Report, which rather obscurely recommends that "the public employ-ment service . should refrain from offering such a high standard of service that fee charging is appropriate." This seems a rather obfuscatory way of expressing the view held by the private agencies, that public funds should be concenciently profitable to be covered by the private agencies.

Whatever the future role of

a pick up in the jobs market. All the major agencies are reporting that the temps business is picking up rapidly, and in past cycles this has been followed by an upturn in the market, which is currently still in the doldrums. Allen believes that the increase in temps business may indicate that the recovery has got under way, "but it's more like climb-ing a ladder than taking off in a rocket." David Hargreaves

is also keeping his feet on the ground: "employment agencies money, but none of us expects to see the golden days of 1972-

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From The Banker

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In accordance with the provisions of the Notes and the Reference Agency Agreement between Continental Illinois Overseas Finance Corporation N.V. and Citibank, N.A., dated June 24, 1982, notice is hereby given that the Rate of Interest for the Initial Interest is hereby given that the Rate of Interest for the initial Interest Period has been fixed at 161% pa and that the interest payable Period has been fixed at 161% pa and that the interest payable on the relevant Interest Payment Date. September 24, 1982, against Coupon No. 1 will be U55418.47 in respect of US\$10,000 nominal amount of the Notes.

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The Lombard Bank

U.S. concern Brussels fish at high EEC food exports

WASHINGTON-EEC agricultural exports will this year exceed in value those from the U.S., reflecting the Community's huge subsidies, Mr Richard Smith, administrator U.S. Agricultural Department's foreign agricultural services, said yesterday.

Mr Smith told a meeting of the U.S. Agricultural Export Development Council that the bulk of the EEC's exports will be processed products, decision will have to be made about the future world agricultrading system at the ministerial meeting of the in November, he claimed.

If the GATT meeting fails to address the question of the EEC's form subsidies, then the U.S. will have to change its policy of reliance on the market and not using subsidies, Mr Smith concluded.

plan attacked

BY RICHARD MOONEY

BRITAIN'S INSHORE fisher- any further concessions," he men have given a firm thumbs- said. down to a plan for sharing EEC fish resources proposed by the find proposed quota shares of European Commission earlier fish from the EEC "pond" inthis month.

plan, which is to be discussed again by Common Market has been executive committee of the National Federation of Fisher our requirements." men's Organisations said yester day that it did not constitute a mission's "manipulation" basis for an "acceptable or honourable agreement."

the proposed allocation of fish-General Agreement on Trade ing rights within Britain's 12 Another bone of contention and Tariffs (GATT) in Geneva mile limit to Belgian, Dutch, was Britain's allocation in the

> sive zone remained one of its minimum requirements. " We have already come down

The inshore fishermen also adequate. In particular it wants After studying details of the more North Sea cod.

"Since 1978 our cod share progressively fisheries ministers in Brussels reduced," said Mr Atkins. "The on Monday and Tuesday, the figure has been raised a little this time but is still far short of He also objected to the Com-

quota figures so as to allow catches of whiting and haddock The NFFO's main objection is for Denmark's small-mesh industrial (fish meal) fishermen. French and West German fisher- Irish Sea which was lower overall than that proposed last July.

Mr Nigel Atkins, the organisa-tion's director general, said under the EEC plan would yesterday that a 12-mile exclusion amount to 35 per cent of the seven principal species and 29 per cent of all human consumption species. This was slightly from calling for a 50-mile down from the last offer. Mr exclusive zone and cannot make Atkins claimed.

Asarco, meanwhile, lifted its

U.S. domestic selling price for

lead by a further 1 cent to 25

John Soganich in Toronto

writes: Deteriorating conditions

in copper and zinc markets are

Smelting to extend the planned

June 26-August 3 vacation shut-

and plants at Flin Flon and

The company, a member of

Lake in Northern

cents a lb.

Manitoba.

deliveries. It is planning other down by a three-week produc-cosi-saving measures. down by a three-week produc-tion shutdown at its mines

continuing forcing Hudson Bay Mining and

Copper prices rise sharply

the planned shutdown of its

The company said the decision

lower metal prices and

The news brought an initial

London Metal Exchange yester-

day, but cash nickel eventually

tonne as trade selling came in

melter in Braubach, near

Koblenz, for eight weeks from the middle of July because it

was unable to buy enough scrap

for smelting. It said scrap

dealers were unwilling to sell

rise in nickel futures on the Snow

deterioration in revenues due

reflected

BY JOHN EDWARDS, COMMODITIES EDITOR

COPPER PRICES rose strongly was closing its mine in Manitoba on the London Metal Exchange for two months, and extending yesterday, continuing the recent rally from the four-year lows Ontario division—where workers plumbed last week. Higher- have been on strike since June grade cash copper closed £16.5 1-until at least October 3. up at £743 a tonne making a gain of £53 during the past three days.

attributed recovery to speculative covering of previous sales which drove prices down to artificially low levels. What is undecided is whether the upward momentum can be maintained or whether it is merely a temporary technical

Demand for copper remains oor, but several North American producers put their domestic prices up Asarco raised its quotation by 1.5 cents to 63.5 cents a lb, and Noranda by 2 cents to 65 cents a lb. Meanwhile, a series of further

shutdowns by mining companies was announced yesterday. International Nickel said it at current prices.

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SPOT PRICES

Change Latest + or -

at the higher levels.

GAS OIL FUTURES A steadier opening, reflecting firmer physicals, encouraged U.S. selling on stock figures and the market eased back, A fall anticipated a weak New

York opening but the market railied as New York held (reports Premier Mann. Month Close - Done

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	August			
	Septl	279.00	-1.25:28	
:1	Oct	281,75	ı—1,50:283	
	Nov	285,00	-2,00:286	.00-84.75
	Dec	288.50	-1,50,288	1.60
	Jan	290.50	- 3.50	_
	Fab	292,50	+0.50	·
	Feb		=-	 .
	Turnover	1,528 (1,	,956) lots	of 100
	tonnas.			

GOLD MARKETS

London bullion market yester- \$3044 day. It opened at \$3101-\$3111, was fixed at \$309.75 in the morning, and \$310.25 in the of \$311.50 per ounce. low of \$3061-3063. In Paris the 121 kilo gold bar

was fixed at FFr 67,500 per kilo (\$307.54 per ounce) in the afternoon, compared with FFr 68,000 (\$309.95) in the morning, and FFr 66,500 (\$299.96) Wednesday

In Frankfurt the 121 kilo bar was fixed at DM 24,700 per kilo (\$312 per ounce). against DM24,215 (\$303.97) and closed at

Gold rose \$5½ to 307-308 in the \$310-\$311, compared with \$303½-In Luxembourg the 121 kilo

Amalgamated Metal Trading reported that in the morning high grade cash copper traded at £750.55. Three months £771.00. 70.00, 71.00, 72.00, 72.50, 73.00, 72.00, 71.00, 71.50, 72.00, 72.50, 73.00, 72.50, 74.00, 73.50. Cathodas: three months £764.00. Kerb three months £773.00, 74.00, 75.00, 75.50, 76.00. bar was fixed at the equivalent afternoon. The metal touched a In Zurich gold finished at high point of \$3124-\$313, and a \$309-\$312, against \$303-\$306.

LONDON FUTURES Month Yest'rday's +or Business

. £ per troy i
1 Ounce
August;178.65-8.88-+2.475:181.46-78.25 Sept'mb'-n180.25-0.50+2.575 —
October182.10-2.25 +2.898 183.50-1.90
November 183,80-4,10 +2,800 -
December 185.70-5.80 +2.809 187.20-7.00
January;188,20-8,50, - ,188,50-7,80
Turnover 1,238 (1,382) jots of 100
troy gunces.

Go	id Buillon (fine (ounce)	·
Close	(£1761g-177) (£179-1791g) (£178,458) (£178,326)	\$3011 ₂ -3021 ₂ \$297-298 \$300.75 \$304	(£174-1741 ₈) (£1721 ₂ -173 ₁ (£174,449 ₁ (£175,317 ₁
Krugrnd \$31512-31614 (£1813	Gold Coins Jun		- (£47-47)»)

		Gold Col	ns June 24
Krugrnd 1-2 Krug 1-4 Krug 1:10 Krug Mapieleaf New Sov	\$1611 ₂ -1631 ₂ \$825 ₄ -835 ₄ \$335 ₄ -345 ₄ \$3151 ₂ -3161 ₂	(£181 ³ 4-182 ¹ 4) (£93 ³ 4-94 ¹ 4) (£97 ³ 4-98 ¹ 4) (£1919-20) (£181 ³ 4-182 ¹ 4) (£41 ⁵ 4-42)	King Sov Victoria So French 20: 50 psos Me 100 Cor. Ai 520 Eagles
			<u> </u>

- \$82-85 - [247-47]s)
ov \$82-85 (247-47]s]
bx \$6854-71 \((£39 \)12 41)
ex. \$5764-379 (£2162-216);
bx \$43994-302 (£1724-174)
s \$365-368 (£209-212)

"THE SOVIET UNION AND THE WORLD'S COMMODITY MARKETS IN THE 1980s"

A host of leading speakers will be addressing this major Conference AT THE CAFE ROYAL, LONDON ON JULY 8th, 1982

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ART GALLERIES

BROWSE & DARBY, 19, Cork St., WI. 01-734 7984. FRENCH Paintings, Draw COLNAGHI. 14. Old Bond St., W1. D1-491 7408. DISCOVERIES FROM THE CINQUECENTO until 7 August: and ITALIAN OLD MASTER DRAWINGS until 10 July. Mon.-Fri. 10-6, Sat. 10-1. LEFEVRE GALLERY, 30. Bruton St. WT. 01-493 1573/3. AN EXHIBITION OF IMPORTANT XIX AND XX CENTURY WORKS OF ART. Mon.-Fri, 10-5, Sats.

SANDFORD GALLERY, COVENT GARDEN Mercer Street, WC2. "COVENT Mercer Street, WC2. "ENGLISH AR' 00-1982." Tues.-Sart, 12-5.30 pm VILIAM DRUMMOND, Covent Garden Gallery, 18 & 18C ITALIAN WATER-COLOURS, C. LABRUZZI & others, 07, 10-5.30. Thurs, 7, Sep. 12,30, 20, Rusself St. WCZ 01-836 1159.

CRANE KALMAN GALLERY. 178 Brompton Rd.. SW3. D1-584 7566, Works by Nicholagon, Sutherland, Lawry, Spent, Piper, Hitchans, Coltonbus, Kit Wood, Daily 18-8, Eath. 70-4.

Andrews of the San Angelia and San a

LUMLEY CAZALET, 24 Davies St. W1. 499 5058 JACQUES MNIZDOVSKY— Woodcuts and Linocuts. Until 23 July. CRANE GALLERY, 1712 (First Floor). Sloane St., SWI, 01-235 2464, 3 minutes from Harrods. in unsteal and beautiful surroundings. ENGLISH COUNTRY ART and 'AMERICANA'—Paintings. Furniture, Cuffts, Decoys, etc. Daily 10-6: Sats 10-4.

LEGAL NOTICES

THE COMPANIES ACTS 1948 TO 1976
YEOMANS TRANSPORT (BEARSTED) LIMITED NOTICE IS HEREBY GIVEN, pursuan

to section 283 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at 1 Wardrobe Place, Cartar Lane, London EC4V SAJ on Thursday, the 9th day of July 1982, at 12 noon, for the plantese mentaged in contrast. the purposes mentioned in section 294 and 295 of the said Act.

Dated this 17th day of June 1882.

By Order of the Board,

N. W. COLYER.

closed £55 lower at £3,000 a the Anglo American Group, says it is continuing to monitor

market conditions and hopes that these will not deteriorate In Frankfurt, Metallgesell- that these will not deteriorate schaft said it was stopping all to such an extent that "additional measures are necessary." Falconbridge Copper also announced it will at the end of July put into effect an indefinite

production at its lead and silver suspension of mining and milling operations at its Corbet copper-zinc-silver-gold mine at Noranda in North West Quebec. | Reuter

COPPER led a generally firm trend on the London Metal Exchange, Further speculative "short" covering of

speculative short covering of previous sales pushed higher-grade three months to a peak of £775 before closing at £765.5. Aluminium, lead and zinc followed the trend in copper, but nickel was lower in spite of opening strongly on news of the extended inco shutdown.

Cash 750 5 +27.7 748.5 3.5 + 16.5 3 mths 773 5 +29 766 5 +18.2 rt 750,5 +27,5 --

Amaloamated Metal Trading reported

Afternoon: higher grade three months £769.00, 70.00; 69.50, 69.00, 69.50, 70.00, 66.50, 66.50, 66.50, 66.50, 66.50, 66.00, 66.50, 66.50, 66.00, 66.50

a.m. +er p.m. + TIN Official - Unofficial

Standard Gash..... 6450-40-22.5 6430-50 +59 3 months 6550-60 - 6560-70 +52.5 Settlem't 6440 -20 - Straits E \$29.151 -

Lead-Morning: £297.00, 96.50, 97.00,

Lasd—Morning: £297.00, 96.50, 97.00, 97.50. Three months £310.00, 11.00, 10.00, 9.00, 8.00, 7.50, 8.00. Kerb three months £309.00, 11.00, 13.00, 14.00, 13.00, 12.00, 13.00, 14.00, 10.00, 11.00, 11.50, 12.00, 13.00, 14.00, Kerb three months £313.0, 14.00, 15.00. Turnover 21,725 tonnes.

Zinc-Morning: Three months £410.00, 9.00, 9.50, 9.00, 8.00, 8.50, 8.00, 7.00,

8.00, 7.50. Kerb three months £409.00, 8.00, 7.00. Alternoon: Three months

8.00, 7.00, Alternoon: Three months £407.00, 6.00, 5.00, 5.50, 5.75, 6.00, 5.00, 4.00, 3.00, 3.50, 3.00, 1.00, 2.00,

1.0, 400.75. Kerb; Three months £401.00, 400.00, 400.50, 1.00, 1.50, 2.00, 3.00. Turnover 31,800 tonnes.

Three months 2080, 70, 75, 70 65, 60, 65. Kerb three months £3065. Afternoon:

Aluminm a.m. + or p.m. + or Official - Unofficial - Unofficial - WHEAT Satisfy + or Yest'rd'y 5 months 553.54 + 144 551.69 + 122 Mnth olose - close

months 552.00, 53.00, 52.50, 51.50, 8ept 108.10 +5.60 -0.05 52.00, 53.50, Kerb three months £554.00, Nov... 111.80 +0.18 104.60 -0.18 58.00, 57.00, 56.00, 55.00, 54.00, Afternoon: Three months £551.00, 51.50, Mar... 118.95 +0.18 118.05 -0.18 52.00, 51.00, 52.00, Kerb three months £551.00, Mar... 118.95 +0.18 118.05 -0.18 52.00, 51.00, 52.00, 51.00, Kerb three months £551.00, 52.00, 51.00, 52.00, 51.00, 52.00, 51.00, 52.00, 53.00, 54.00, 55.00, Turnovet Business done May... 122.35 +0.18 118.25 +0.05

3 2 2 2

BRITISH COMMODITY MARKETS

Brazil cocoa offer to buffer stock

BRAZIL'S government has been asked by the Bahia Cocoa Trade Commission to back the proposed sals of 18,000 tonnes of cocoa to the International Cocoa Organisation (ICCO) buffer

The president of the Bahia commission said yesterday that he expected to get government approval for the deferred payment sale. The scheme is to be finalised at the ICCO council meeting on July 8-16.

recently in response to moves by the ICCO to boost its buffer stock, and some consumer buy-ing was noticed. Uncertainty surrounding next month's ICCO meeting as well as the lack of information available on the new crop have helped counter generally bearish mood of the last few months, traders

WEST GERMAN sugar statis-

Traders say the new estimate comprises 5.069m hectares for Eastern Europe, 89,000 lower than the earlier figure, and 2.765m hectares for Western Europe, 36,000 hectares down. The West European total includes an estimate of 1.845m hectares for the EEC.

* Cants per pound. ‡ MS per kdo. On previous usofficial close.

Silver was fixed 8.25p an ounce higher for spot defivery in the London bullion market yesterday at 300.65p. U.S. cont equivalents of the fixing levels were: spot 522.5c. up 18c; three-month 522.5c. up 18c; three-month 522.5c.

562.5c, up 19.7c; and 12-month 605.1c, up 21.1c. The matal opened at 303-3069 (527-531c) and closed at 286-289 (516-520c).

After briefly opening higher futures eased on further hedging of Ghans sales and fluuldation of jobber long positions, but a steady New York opening prompted renewed support and further offtake among consumers for prices to recoup the losses, reports Gill and Dullus.

COCOA Yest'day's + or Business Close — Done

Early trade buying prompted a stoadier opening before values returned to unchanged in thin volume, reports Drexel Burnham Lambert. Prices railied

LONDON GRAINS—Wheat: U.S. Derk Northern Spring No. 1 14 per cent July 111.50. Aug 110.00, Sept 109.50 transhipment East Coast sellers, English Feed fob Nov 115.50 East Coast, Jan-March 121.00 East Coast sellers. Maize: French July 137.00 quoted transhipment East Coast. S. African shipment East Coast. S. African White/Yellow July-Aug 86.00 seller. Barley: English Feed fob June 108.00 Gwnness, Aug 106.00 East Coast. Rest unquoted

'Yesterd'ys' +or Yest'rd'ys +or

lots of 100 tonnes. Barley: 104.65-104.55, Nov 108.30-108.15,

Yesterday's

IE Close + or Business
Done

SILVER

COCOA

COFFEE

Taking stock in the hills would happen to the sheep units.

better prospects.

But nowadays grant aid from

been supplemented by the Com-

which has increased returns

from sheep to levels thought

hill farmers sell directly to the

fatstock markets, but they pro-

vide the vital foundation stock

for the crossbred ewes which

make up the main production

base of lowland sheep farming.

So the high prices paid for

unobtainable. It is not that the

FARMER'S VIEWPOINT

By Terry Povey

trade, we would not have allowed this to happen." "This" Valley which in the last 20 hills of that part of the Scottish

The sale would be on a deferred payment basis and conifers. would be Brazil's share of 60,000 tonnes of beans the cocoa-producing countries are planning to sion and private interests sell to the ICCO buffer stock, bought their land—from willing The 45,000 tonnes that could be bought outright, if a recent loan form a consortium of Brazilian banks is fully taken up, would bring the buffer stock to over 205,000 tonnes, including just over 100,000 tonnes already

Prices have been firmer

European beet sowings may

tician, F. O. Licht's third estimate of total European sugar beet sowings in 1982 puts the area at 7.834m hectares compared with 7.959m hectares in its previous estimate. Licht's latest estimate com-pares with revised total 1981

sugar beet sowings of 7.977 hec-

118.25 only. Sales: 94 lots of 100

RUBBER

The London physical market opened slightly stead er, attracted little interest throughout the day, and closed assistance and Peat recorded a July for price for No. 1 RSS in Kuele Lumpur of 203.5 (202.75) cents a kg and SMR 20 175.5 (174.0). Metals

No. 1 Yest'r'ys | Previous Business R.S.S. glose close Done

July 48,10-49,00 47,58-49,5049,00-48,50 Cash Cathode, 2734 + 16 (2796 Aug 49,00-50,90 48,50-48,70 49,50 Aug 49,00-50,90 Aug 49,00 Seles: 923 (219) lots of 15 tonnes. 718 (nil) lots of 5 tonnes. SILVER Bullion + er L.M.E. + er per fixing - p.m. unoffic i Physical closing prices (buyers) were: Spot 47.00p (46.75p); Aug 52.25p (51.75p); Sept 52.75p. 8pot 300.65p +8.25 297.5p +4 3 months 301.15p +8.75 307.15p +2.4 6 months 318.60p +9.05 12months 358.80p +9.25

SOYABEAN MEAL

The market opened with gams of about £1.00 but ran into trade selling, reports T. G. Roddick. Prices drilted before steadying on ranswad commis-sion house buying.

·	Yesterdys -	or E	business Done
	£ per tonne		
ctober	127.70-27.8— 160.60-66.4 + 165.60-65.4 + 168.60-69.5 + 168.60-42.0	0.55 10 0.05 10	1.00-38.00
Sales: 16	7 (195) lats	of 100	tonnes.

Sales: 167 (185) lots of 100 tonnes.
SOYABEAN OIL—The market opened
\$3.00 higher in thin conditions but
failed to attract any follow-through
buying and distred to close little
thranged. Chosing prices and business
done (USS per tonne): June 495.0,
497.50, 498.00-496.50: Aug 488.00,
500.00, 498.50-499.00; Oct 497.50,
500.00, 595.00; Dac 505.00, 509.00,
509.00: Feb 510.00, 502.00, untreded;
April \$20.00, \$32.00, untreded; June
\$21.00, 538.00, untraded, Sales: 30
(185) lots of 25 tonnes.

Tin-Moming: £8450, 40, Thres months £6550, 25, 6600, 20, 6600, 6570, 60, 50, 40, 61 three months £6560, 70, 60, 50, 40, 40, 60 Kerb standard three months £6530, 20, 30, 40, 60 Kerb standard three months £6530, 20, 30, 40, 60 Kerb standard three months £6550, 40, 30, 25, 10, 8500, 6490, 6500, 50, 35, Turnover £535 tonnes.

LEAD Official — Unofficial — (71.55). Indicator price for June 24: 72.07 (71.55). Indicator price for June 25: 70.73 (70.19). LONDON DAILY PRICE—Rew sugar, F102.00 (£104.00) a teone cif June-July-August shipment. White sugar daily price £135.00 (£138.00). Prices drifted but keen support became apparent at the lower levels, reports C. Czarnikow.

No.4 Yesterday Pravious Business Gon- close close done & per tonne

| Let tenne | Let Aug 105,80-06,48,718,05-78,101,05,90-06,50 Oct 119,80-10,55,114,15-14,80,114,25-18,25 Jan..... 117,58-18,50,122,00-25,20 March 128,65-25,75,150,15-30,25,750,00-25,25 128, 25-28, 50 | 125, 05-35, 25 | 134, 78-28, 00 | 122, 58-38, 97 | 137, 25-37, 54 | 136, 89-32, 76

May..... 125.25.26.50 | 155.05.58.25 | 160.75.26.00 Aug...... 165.69-58.00 | 187.25-67.56 | 156.99-52.75 Out...... 125.60-36.25 | 140.50-41.25 | 156.75 Sales: 3.374 (5.136) lots of 50 tonnes. Tate and Lyle delivery price for granulated basis white sugar was 1374.00 (sama) a tonne for home trade and E207.00 (£209.50). International Sugar Agreement (U.S. cants per pound) (ob and stowad Caribbaan ports. Prices for June 23: Daily price 7.00 (6.79): 15-day average 6.74 (6.76).

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. July 542.5, 546.0, 546.0-542.5+ Oct 514.0, 514.5, 516.5-514.0; Dec 518.5, 520.0, 521.5-517.0; March 525.0, 527.0, 528.0-526.0; May 528.0, 530.0, 532.0-528.0; July 537.0, 537.5, 533.0-537.0; Oct 531.0, 533.0, 535.0-533.0; Dec 537.0, 545.0, 540.0, Sales; 125.

LONDON NEW ZEALAND CROSS-BREDS—Close (in order; buyer, seller, BREDS-Close (in order: buyer, seller, BREIS-Close (III Order: Buyer, Seller, business). New Zealand cents par kg. Aug SLR 383, nll; Oct 390, 392, 393-390; Dec 400, 403, 399-397; Jan 402, 405, 401; Merch 413, 416, 414-413; May 425, 428, 426; Aug 436, 440, 436; Oct 436, 439, 439-437; Dec 439, 441, 442-441, Sales: 23.

COTTON

Business dane—Whest: July 118,00-115,20, Sept 108,000 only, Nov 112-10-111,70, Jan 115,90-115 70, Mar 119,20-119,05, May 122,60 only, Sales, 120 lots of 100 tonnes. Barley: Sept LIVERPOOL—No upot or shigment leas were recorded leaving the total

was the afforestation of the Esk with fencing the most important. Almost the only way to years has turned the rolling improve hill grazing is to control it and to prevent overgrazing. borders into a forest of This point was impressed upon me years ago by the late He did not mention that at Captain Bennet Evans on Pylnthe time the forestry commis-

limon. His farm included a large acreage of unfenced hill. on which the ewes were as they say, "bound." That is, they would not stray far from where sellers hill sheep and cattle farming seemed to offer no they were born. But there was nothing to stop them from EEC and Treasury sources have drifting onto other areas in search of feed, nor to prevent the neighbours' sheep coming in munity sheep meat regime to savour the fruits of any land improvement. Once he had secured the

> Captain Evans was able, by selective improvement, to slightly, and could do so faster increase the overall stocking in the future as the resources rate and production of his holding dramatically. There have been special schemes to assist hill farmers

whole of his land by fencing

the finished sheep seep back into the hills, and bave put an for many years, but these have entirely new complexion on hill had two defects. They are justifarming prospects. However, fied in part by being social there is no doubt that there schemes in line with those would be many areas thought fit only for forestry a few years in Europe, and they have in the past to levels higher

Fencing, liming and some fertilising would be needed, themselves. Many hill farmers present. say they spend most of their cattle feed. There is, of course, no reason why they should not

> But in terms of investment there is no question that a ewe. is a better bet than a beef cow omically dim. which will take two to three, years to do so in calf. It appears the hill farmer is getting this message. The num-

if it suits them.

ber of beef breeding cows is falling steadily, while that of the sheep flock is increasing slightly, and could do so faster for land improvement are infor land improvement are in-creased through higher final pub. As I remember it, he said prices. that they had paid a subsidy to This is not to say that there plant the trees, and he looked.

funds into hill farming because of the better prospects. The price of hill land has been operating in less-favoured areas forced up by forestry investors

"If only," said the farmer in ago which could be improved tended to favour cattle rather than would have been reached the pub, "we had realised what into economic sheep farming than sheep. were it not for the subsidisation This may not have been de- and tax saving that forestre liberate policy, but in practice used to enjoy. Present prices cattle need much more winter are probably too high to show a

feed in the shape of hay and reasonable return at existing compound feed than do sheep interest rates, but this is the which are often left to look after ; case with . most farm land at What the new price levels for ewe subsidy money on extra sheep are likely to do is to a make landowners who were

thinking of selling for forestry decide instead to exploit their holdings themselves; so forcing the price for forestry hand still which will produce the equiva higher. Forestry at present ex lent of her own weight of meat cept for those dedicated to it, in lamb in the course of a year has prospects which are econ-I used to tell auxious New

Zealand correspondents that there was little likelihood of any significant increase in British lamb production. would not be so dogmatic now There is scope for a greatly increased output within few years. It could even accelerate were I to believe the farmer in the

will be a rush of investment forward to a time when some one would payl a grant to dig them up again in favour of sheep. Stranger things have a

JOHN CHERRINGTONS

Row over direct sales of farm machinery

BY A CORRESPONDENT

FEARS ARE growing among cent Britain's farm machinery The announcement produced dealers of a trend among manu- a vitriolic response from the facturers to sell their equipment direct to farmers.

selling methods has increased quietly for months.

But it has burst into a row accusations of maligned middle-men "with its implications of following the decision of a small unwarranted margins." manufacturing company to go public with its intentions.

Colman and Company (Agricultural) of Sudbury, Suffolk, manufactures grain dryers, silos, muck spreaders, feeder wagons, bale elevators and vacuum tankers and has a turoover of nearly £2m. company recently an-

nounced that it would sell direct to farmers, enabling it to offer immediate discounts of 27 per

British Agricultural and Garden Machinery Association, the price." This important change in dealers organisation. Bagma objected in strongest possible terms to

> It said: "Many dealers have been understandably upset by the manner in which the annonncement has been made. Is it possible the company can provide the service their customers want? Will farmers really settle for a direct line to Selwyn Pryor (head of Colmans) when some-

thing goes wrong?" Bagma said the prices quoted by Colman against the direct board.

Juminjum ____2810/815 ______ 2819/815 Free Mkt. ____ \$920/950 + 50 | \$946/875

Nickel 43922 45974 Free mkt 240/270c + 10 :240/270c

Cosonut (Phil) 3505v +3 3500 Groundnut \$575u \$610 Linseed Crude £365 \$520 Palm Malayan (\$475y \$520

Seeds Copra Ph IIp ... \$335 +5 \$530 Soyabean (U.S.) \$261,5y \$268,25

Grains BarleyFut, Sep £104.60 —0.05 £104.90 Maize £137.00y ... £137.75

Maize £157.00y £137.75 Wheat Fut.Sepi£108.10 +0.10 £109.35 No.2HardWint :

Unquoted. x Aug-Sept. u June-July

-INDICES-

FINANCIAL TIMES

June 25 June 22 M'th ago, Y'ar ago

226.39 226.65 240.55 247.55

(Bass: July 1, 1952 - 100)

REUTERS

June 24 June 25 M'th ago Y'ar ago

1518.6 1515.2 1555.9 1752.9

MOODY'S

June25 June 22 M'th ago Y'ar ago

981.2 | 980.8 | 1004.6 | 1085.5

(December 31, 1931 - 100)

DOM JONES

Dow June June Month Year Jones 25 22 ago ago

Spot 120.9 130.27 126.82 -Futr's 120.64 118,79 127.91 -

(Base: December 31, 1974 - 100)

for the week so far at 629 tonnes, Renewed uncertainty as to prospects kept buyers from operating with any freedom in the market, and dealings were dulf. Even the more popular styles, such as Russian and Turkish, were in invited request.

LONDON POTATO FUTURES-

POTATOES

ber 18, 1931 - 1001

PRICE CHANGES

Mr Pryor said: "I feel new selling policy would be strongly that this is the right successful.

Small companies like us are

board of Colmans for more than six years and has been pressing for this change in selling strategy for some time, but

deal prices showed a 27 per He took full control of the cent discount "thereby offer company (from Anglo-Indo-ing only a nominal improve nesian) in mid-May and has ment in the real net buying implemented his policy.

way to go. If people were . The machinery trade is not honest a lot more would admit so sure. The dealers association that they are already involved does not believe Colmans will The machinery trade is not in secret direct selling." He be able to establish an effec-said he thought it would tive network for sales and ser-VICE. Even the farm machinery

on a hiding to nothing if we manufacturers association, the don't do this."

Agricultural Engineers' AssoMr Pryor has been on the clatton is sceptical it says the board of Colmans for more whole industry will be watching the experiment with interest.
The AFA said: "We think

the move is a mistake. It will be very surprising if they can make a success of it."

AMERICAN MARKETS

NEW YORK, June 24.

AFTER AN early raily lack of follows through buying in precious metale and copper paulited in aethecks agreeted by adverse economic news, The livestock actor finished lower on measure warehouse liquidation. Coffee advanced on rumous of cold weather moving into major Brazilian production areas.

Cotton railed on continued concern Oct 19.80-19.75, Dec. 20.12-20.10, July 207.0-208.0, May 19.38,

March 63.80. May 65.20, July 65.75. Sept 68.30, Dec 70.85. Jan 71.90. March: 73.00.

"Gold—June 304.3 (307.7), July 304.4 (307.8). Aug 307.2-307.8. Oct 314.8-3 315.5, Dec 322.0.323.0, Feb 330.3. April 338.2. June 348.2. Aug 354.3, Oct 362.5

315.5, Dec 322.0.323.0, Feb 330.3, April 383.2, June 346.2, Aug 364.3, Oct 362.5, Dec 370.8, Feb 379.2, April 387.7, Potatoes (round whites)—Nov 58.0, 89.5 (70.3), March 79.5-80.0 (80.0), April 383.485.5 Sales: 104. ISHwer—June 518.0-516.8 (522.5), July 914.0-517.5 (523.5), Aug 523.9, Sept 527.0-532.0, Dec 548.5-553.0, Jan 523.9, Sept 527.0-532.0, Dec 548.5-553.0, Jan 559.5, March 573.5, May 584.0, July 6/1.5, Sept 516.5, Dec 636.5, Jan 643.5, March 657.5, Handy shd Hayman bullion spot: 521.00 (510.00). Sugar—No. 11: July 7.00-7.02 (7.16), Sept 7.20-7.32 (7.48), Oct 7.40-7.42, Jan 8.12, March 8.68-8.70, May 8.90-8.91, July 9.13, Sept 9.32-9.35, Oct 9.40-9.55, Sales: 6.557, Tin—520.00-521.00 (517.00-520.00). CHICAGO, June 24. Lard—Chicago loose 22.75 (same). Live Cattle—Aug 64.00-63.95 (64.47), Oct 61.00-60.90 (61.30), Dec 61.95.61.90, Feb 61.95-62.10, April 61.70-61.60, June 62.80-63.00, Live Hogs—July 59.25-59.50 (80.40), Aug 58.05-57.97 (59.47), Oct 56.30-56.00, Dec 65.87-55.90, Feb 54.12-54.25, April 50.72-50.45, June 61.82, July 51.40, Aug 51.00.

1.00. alze—July 273¹-272⁴ (274¹-), Sept ¹⁷¹- (270¹4), Dec 274²-274²-

127.20-127.50 July 128.70-122.00 Way 127.20-127.50 July 128.70-122.00 Way 127.20-127.50 July 128.70-122.00 "

March 289* May 239* July 306.

Pork Bellies—July 71.25-71.00 (73.00),
Aug 69.50-70.00 (71.65), Feb 72.5573.15, March 72.50-72.20, May 71.50.

Chicago Jimm Gold—June 309.0 (296.8), Sept 314.8-314.5 (304.6), Dec. 235.7, March 337.7, June 349.8, Sept. 361.8

Wednesday's closing prices NEW YORK, June 25, 7
11Cocos July 1378 (1333), Sept 1441 2
(1405), Dec 1809, March 1577, May 2
1822, July 1882, Sept 1707,
Coffee C. Contract July 138,80 2
133,25 (137,53), Sept 129,50,430,00 2
(127,15), Dec 123,70,124,00, March 118,25,178,50, May 115,50,117,00, Seles: 1,575. NEW YORK, June 23.19

118.25-178.50, May 115,50-117,00, Sales: 1,575.
Cotton—No. 2: July \$4,70-\$4.60, (65,28), Oct 68.20-68.30, (88,17), Dec 69.50-89.50, March 71,70-71,30, May 73.50, July 74,15-74.40, Oct 74,90-75.25, Dec 74,90-75.30, Sales: 10,500, Heating Oil—(cents per U.S., gallon): July 90.90-81.00 (80,03), Aug 88,80, (87,68), Sept 88,25-88,45, Oct 88,25-89,30, Nov 90.00, Dec 91,50-91,70, Jan 81,90, Fab 37,25, May 51,50, Orange Jules—July 118,00, (118,50); Sept 120,45-120,50 (120,80), Nov 122,50, 3 Jan 124,20-124,50, March 125,70-126,00, Sept 130,20-130,50, Nov 131,70-132,00, Sales: 350,

EUROPEAN MARKETS

PARIS, June 24.
Cocce—(FFr per 100 kilos): July 1025/1049, Sept 1071/1082, Dec 1115/1124, March 1165/1175, May 1210/1225, July 1245/1285, Sept 1280/1300. Selectors of the coll.

July 1249/1220, Sept 1269/1300. Serve at cell: Nii.

Maixe.— (U.S. S. per tonne): U.S.
No Three Yellow affoat 124.50, June.
124, July 124, August 128, Sept. 125,
Oct/Dec. 124, Jan/March 132 sellers.
Soysbeans—(U.S. S. per tonne): U.S.
Two Yellow Gullports July 255, August 256.75. Sept. 256.75. Oct. 254.75. Nov 255. Dec. 250. Jen. 255.50, Feb 270,
March 273.50 sellers.
Soyames!—(U.S. S. par tonne): 44
per cent affoat 210, Nov/March 232
traded; affoat 210, June 210, July 277,
August 220, Sept. 223, Oct. 225, Nov/

March 233 sellers. Petiets Brazit June 224, July 224.50, August 229, Sept 233, Nov/March 253 sellers. ROTTERDAM June 24.

Wheat — (U.S. S per immer): U.S.

Two Dark Herd Winter 135 per cent.
July 174, August 174. U.S. No Three
Amber Durum June 177. July 174.
August 178. Sept 178. U.S. No Two
Northern Spring 14 per cent June 179,
July 175.50, August 173.50. Sept 173.50.
Canadian Western Red Spring August 194.

194. Sugar—(Ffr per tonne); Aug 1855/ 1560, Oct 1500/1505, Nov 1495/1508; Dec 1485/1495; Merch 1576/1585, May 1619/1625, July 1650/1685, Aug 1660/ 1675, Sales at call; 35.

MEAT/FISH

SMITHFIELD—Pence per pound.
Seet: Scotch killed sides 78.5 to 84.0;
Ulster hindquarters 98.0 to 100.0; forequarters 98.0 to 58.0. Vest: Dutch
hinds and ends 116.0 to 121.0. Lerob: English small 69.3 to 76.7, medium 70.0 to 75.0, heavy 64.0 to 88.0; imported-New Zealand PL 64.5 to 82.8, PM 61.0 to 62.0, PX 59.0 to 60.0. LONDON POTATO FUTURES—After a quietly scaady opening the market fell in active tracing, closing at new contract lows, reports Coley and Harper. Closing prices: Nov 57.40, -1.90 (high 59.20, low 57.40): Feb 63.60, -1.90 (high 65.00, low 63.50); April 70.00, -2.50 (high 72.50, low 70.00): May 78.00, -2.00 (high 81.00, low 79.00); Nov 88.00, +0.50 (untraded). Turnover: 619 (249) loss of 40 spinss.

White 4.50-5.00, Red 4.80-5.00, King Edwards 4.50-5.00. Per Ih new 0.10-0.11, Mitakrooms—Per Ib. open 0.30-0.50, Codesed 0.50-0.50, Lettines Per 12, round 0.80-1.20, Webb's 1.50-2.00, Cos 1.50-2.40, Ohioms—Per 55-65 40, Somm 3.00-4.00, Spring Onlines—Per bench 0.10, Spring Cabbage—Per 25-16, 0.80-1.00. Carrots—Per 25/26-16-3.00, Per burch 0.15-0.18, Rhuffers—Per 10, Cutdeer 0.03-0.10, Lestin—Per 10-16, Cutualize—Per merkage 2.20-3.00, Greans—Per 30-1g Kerr 1.00-1.50, Torustees—Per 12-16-box D/E 2.40-2.06, Cutualizems—Per 12-16-box D/E 2.40-2.06, Colorias—Per 16-0.13-0.16, Tarnips—Per 18-0.30-0.35, Strawberries—Per 16-0.20-0.25, Coossberries—Per 16-0.20-0.25, Coossberries—Per 16-0.20-0.25, Contrins—Per 16-0.20-0.20, COVENT GARDEN—Prices for the buth of produce in starting per 16-0.20-0.25. Charries—Per 15 0.20-0.30.
COVENT GARDEN—Prices for the

62.8, PM 61.0 to 62.0, PX 59.0 to 60.0, YL 59.0 to 60.0. Perik: English; under 100 ib 32.0 to 53.5, 100-120 ib 42.0 to 52.5, 120-160 ib 41.7 to 50.3.

MEAT COMMISSION—Average Fatstock prices at representative merikets. GB—Cattle 102,25p per kg lw (+1.13). GB—Sheep 169.65p per kg lw (+1.13). GB—Sheep 169.65p per kg lw (+1.09). GBIMSBY FISH—Supply fair, GRIMSBY FISH—Supply fair, GRIMSBY FISH—Supply fair, GRIMSBY FISH—Supply fair, GRIMSBY GROOT Store to the first fair of the fair of the first fair of the fai

medium £7.00; t sarthe £2.40-£2.80.

Richard Lambert reports on a U.S. airline's fight to keep flying

World Airways bid to pull out of a tailspin

DWARD J. DALY enjoys a in 1950—he still owns four-ood scrap. A boxer in his fifths of the shares—and built outh, be became a media hero as a charter operation. It grew fast during the Vietnam Warn length of the strength of contracts to airlift U.S. military personners struggle. ntense struggle - to keep his irline, World Airways, flying. For a company which has een dripping red ink, World is markably confident about its hances. It says it is hopeful of serring a new deal with its

reditors and workforce in the ear future, and that it could e starting to make profits by the year end. The volume of taffic is picking up, says yorld, and so are prices. They need to. Net losses of

than \$60m since the eginning of 1980 have cut the irline's net worth to \$54m. ompared with its net current abilities of nearly \$300m and anger term liabilities of \$47m. vorld is currently seeking to correcture \$101m of debt service and rental payments ue over the next two years: n debt and lease payments nust be deferred until next

BY OUR FINANCIAL STAFF

par in partial partial

11 per cent to Day 1.000 period,

17 per cent to DM 7.6bn from

ringing some cause to expect

nan, told shareholders yester-

real growth this year.

is lay that the company did not

FRST-HALF group sales of pects could improve.

3ASF. the West German "We won't wait for a proshemical company, totalled pective recovery to free us
from our structural problems,"
handed from the DM 16.2bn said Herr Seefelder, adding that

Herr Matthias Seefelder, leum unit. Group volume is BASF managing board chair- also runing considerably under

der see any sign of recovery this changes have started to make

rear in the domestic economy, headway against the worldwide

which withough U.S. business pros- standard plastics glut, condi-

achiner

the tree the man

Table 1

KETS

it up over the next 25 years nel, and captured a large slice of the international charter business in the late 1960s and early 1970s.

As carly as 1967 it was petitioning the Civil Aero-nautics Board for permission to run a U.S. coast to coast scheduled service at a budget

When deregulation came, Daly jumped in with both feet, launching a service early in 1979 to link New York, Newark and Baltimore in the east to Oakland, San Fransisco and Los Angeles in the west. The move into scheduled services was enormously expensive—the company's debt and lease obligations more than trebled to over \$300m during 1978, but Daly was confident that his no-frills service would quickly sort out the competition "We'll bury them," he said,

But within a few weeks, the plan was in big trouble. The Mr Daly bought the company been built around DC-10 air-

BASF maintains first half sales

BASF could still come up with

The flat group turnover was

attributed to a decline in sales

for the company's U.S. units as

well as its Rheinland Olefins

plants and its Winterhall petro-

leum unit. Group volume is

While internal structural

INTERNATIONAL BOND SERVICE

satisfactory 1982 results.

the 1981 level



Mr Edward J. Daly craft, all of which had to be grounded after an accident

involving another airline in Shortly after the aircraft were allowed to fly again, World was bit by a four-and-ahalf month strike by all its unionised employees. And by

the time that was over, the whole U.S. sirling industry was

tions have continued to worsen

in a tailspin brought on by high fuel prices, excess capacity, and

Competition especially cut-throat on the transcontinental route, where he company is up against five established trunk carriers and various smaller operators. Load factors on this service, which account for perhaps half the airline's volume, fell by 32 per centage points to just 48 per cent in the first quarter of this year. The pressure was so intense that Daly lobbied the Civil Aeronautics Board to restore pricing discipline to the market—a request which he admitted was ironic coming from a company with World's history. The petition was crisply

The airline now suggests that this first quarter may have marked a low point. It claims that load factors have been building up for the summer season, and could exceed 70 per cept for the month of June. At east as important, fares on the transcontinental service have climbed by as much as a quarter or more since the spring. The airline got another boost the other week when it suc-

leaves it with two sumplus DC-8s and an operational fleet of eight DC-10s and three Boeing 747s.
With these, World runs scheduled services across the Continent and to Honolulu, London and Frankfurt, and it still has a sizeable charter operation, which in some respects recalls its colourful past.

Military contracts accounted for about a quarter of total the year, and at the moment the airline does a brisk business in transporting refugees from South-East Asia and Moslem pilgrims during the annual Hadj

Negotiations with the 40 or so creditors reach a technical deadline to day: World sals that extended if final agreement is not reached.

It is also approaching a key moment in its attempt to persuade employees to take pay cuts of 10 to 20 per cent. The pugnacious Mr Daly has already given back half of his last year's salary, and says he is now prob-bly the lowest paid chief executive of any company listed on two may determine whether it

ceeded in leasing out one idle has all been worth while. **Eurobond prices rally on**

BY PAUL TAYLOR

for BASF's relining operations. Oil producton earnings can PRICES throughout the Eurono longer offset refining losses. bond markets were marked higher yesterday — in some but Herr Scefelder said stabilising prices on world oil markets cases by more than 1 percentage point — bringing slight relief to the otherwise beleagured markets. added, however, that it would take a major effort to raise Winterhall's results back to the

In the Eurodollar sector prices were marked up by about 1 a point in quiet trading. Dealers warned, how-ever that it was too early to Herr Sefelder also said yesterday that BASF will continue to rationalise its commodity plastics operations, but it opposes EEC involvement in the tell whether the improvement marked a real turning point in search for a Europe-wide soluthe otherwise depressed martion to the problem of over-

> A more likely explanation, they suggested, was that the market was reacting to the drastic shake out of the past four weeks, encouraged by a marginal improvement in the New York market on Wednes-

Euro D-Mark bond prices were also marked up by between 1 and 1 a point in moderate tracking reflecting the New York improvement and a back after the fifth year.

to the market with a SwFr 45m six-year private placement carry ing a coupon of 61 per cent and priced at par. The issue is lead managed by Swiss Bank Corpor

In the Eurodollar market the Canadian Imperial Bank of Commerce (CIBC) \$200m 12year floating rate note, which bears a minimum coupon of 51 per cent and a margin of } per cent over the mean of the sixmonth bid and offered rates, was launched as expected.

Samuel Montagu last night disclosed details of the new \$75m private placement floating rate note for Banque Nationale de Paris. The 12-year paper bears a spread of 1 per cent above the London interbank offered rate (Libor). There are investor redemption options

after five and eight years and

NEW ISSUE

New York improvement marginally weaker dollar Gillett Overseas Finance came

Contrasting fortunes for two major U.S. food groups

BY OUR FINANCIAL STAFF

BEATRICE FOODS and Pills-bury, two major U.S. food groups, have reported sharply differing results for their latest

Chicago-based Beatrice suffered a 7.5 per cent fall in net operating earnings to \$71.3m from \$77.1m for the first quarter ended May 31. Profits per share were 68 cents against 74 cents undiluted.

ing on June 30. With Sheikh Al-Fassi's im-mense wealth and the recog-Sales rose by 2.2 per cent in the quarter to \$2.28bn from nition of Ali, virtually any door can be opened," says \$2.23bo a year earlier. Earnings would have been Mazen Sukkar, the Sheikh's senior administrator. slightly higher than a year earlier were it not for the effect

Mr Richard Hirschfeld, of three factors which trimmed attorney, said Pavillion Foods was just the kind of company the Sheikh and ex-boxer were cents a share. These were higher interest costs and amor-tisation costs associated with looking for — "a small pub-lic company with tremendous some recent take-overs in the beverage sector and foreign currency translations. growth potential."

Pavillion, which owns 46 per cent of a \$44m hotel complex planned for Virginia Beach, has seen the value of its stock rise from 1 cent a share to about 14 cents a share in the

Round

One for

Ali and

the Sheikh

WEALTRY Arab sheikh and

former world heavyweight boxing champion Muhammad

Ali have joined forces as principal shareholders in Pavillion Foods, a small public company based in Virginia, AP reports from Golden Beach, Florida.

Sheikh Tarek Al-Fassi plans to

use his wealth and Ali's fame

to stimulate rapid growth for the firm, which will become Al-Fassi-Ali Consortium Inc, at a special stockholders meet-

Since the Sheikh and Ali joined forces, Pavillion has pur-chased Commonwealth Group, a Virginian1based word-processing and publishing firm, for \$1.7m.

Sukkar, who will become execu-tive vice president of the consortium, declined to say how the Sheikh and Ali met or how long they have known

one another. They're two religious people and have a common way of thinking," he said. "We always had respect for Ali. We were waiting for the right deal to come along. We just put it together."

Caterpillar debt rating reduced

By Our Financial Staff

OUFF AND PHELPS, the Chicago-based rating agency, has cut its rating of Caterpil lar Tractor senior debt to D and P three from D and P

The earthmoving and construc tion equipment maker's subordinated debentures are rated one step lower at D and than the \$3.02 a share achieved in fiscal 1982.

Pillsbury, in contrast, achieved a 29.6 per cent rise in fourth quarter net income to \$39.4m, or \$1.81 a share from \$30.4m, or \$1.51 a year earlier.

Sales rose 5 per cont to \$906.7m This represented a sharp acceleration in growth for the Minneapolis-based company in the last three months of the year ended May 31. Net profits for the full year rose 14 per cent to \$136.3m on a 2 per cent increase in sales to \$3.39bn.

Profit improvements in the restaurant operations of Steak and Ale, Bennigan's and Burger King were a major factor in the results, Pillsbury said.

Lower interest costs and better earnings from consumer food operations also helped. Weak commodity prices and excess transport capacity contipued to hurt the parnings of Pillsbury's grain merchandising

American General makes further offer for NLT

BY OUR NEW YORK STAFF

The company, which derives

more than three-quarters of its

revenues from food products, expects net operating income

for the full year to be higher

AMERICAN General, the 12th largest U.S. insurance company, has offered to pay \$46 a share for NLT, the Nashville-based insurance group, in a transaction worth nearly \$1.6bn.

The offer is dependent on approval from the NLT board. At the same time, American General, based in Houston, has started its hostile \$38 a share bid for NLT.

The moves are the latest in the takeover battle between the two insurance companies in which NLT has ought to defend itself from Amercan General's unsolicited advances by making a counterbid for the bigger

Only a week ago, NLT raised its cash tender offer for American General from \$50 to \$55 a share, but left unchanged its \$40 tender offer for all shares of the company's 1980 convertible junior preferred

American General said its latest \$46 a share offer represented about a 100 per cent premium over the average share price of NLT's shares during the first three months

The offer involves \$46 a share in cash for 15m NLT shares, and an exchange of convertible preferred stock with an approximately similar market value for all remaining NLT shares.

American General plans to leave the offer open for 90 days to give NLT's board time to

consider it fully.

If th hostile \$38 a share tende If the hostile \$38 a share tender offer is completed, American General intends to propose a merger with NLT where the remaining NLT shares would be exchanged for non convertible fixed income securities.

The Houston company also said its board had approved a term loan agreement with 14

JUNE 1982

will be published if	ext of	d tuesday July 13.
J.S. DOLLAR	•	Change on
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R.J. Rynlds, O/S 0.0 92	400	247, 251, +01, -01, 15.38
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Shelf Canada 14% 92	125	937, 94% +07, -2% 15.58
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STRAIGHTS	Issued	Bld :	Offer	day	week	Yield
Ar Canada 64 92		101	10134	+14	+1	8.0 9
Asian Dev. Bank 7 52		100	100%	+04	614	6,98
Augales 74 92	-==	96%	974	+0%	-01	8.20
Austrelia 61, 94		1033	ر 103 ¹ ء	+14	+14	6.09
Csc. Nat. l'Enemie 7 92	100	101	1014	+0%	, 0	5.83
CFE-Maxico 82 92	50	97	974,	+01	. –1	8.67
Co.op. Denmark 8 92	==	1023	102%	-05	_ <i>_2</i> z,	7,99
		99	997	+1	+3	6.87
Crown Zelirch, 6%, 92	100	100%	100%	0	+02	7.17
ind, Fund Finland 84 92		4Th	. 98	+04	, - O%	7.05
Japan Dev Bank 8 94		994	99%	+2	+1%	8.08
Kobe City 6's 92	100	99	991,	+04	, -04	8.24
Kommuniane 74 92		100%	101	+12	+04	7.12
Mitsuj OSK 612 92	100	997	100%	+14	+0%	5. 5 0
National Pwr. Co. 8.92		103	1037-2	+14	, +0°	7.51
New Zealand 6 92		100%	100%	+0	+13	5,95
OKB 7% 92		1034	1047	+04	-04	7.16
Ost. Postapar 71, 92		102	1027	+0	+03	7.09
Philip Morris 64 92		1027	102	+0%	+0%	6.27
Philip Morris 64 94	100	1012.	101%	+0%	+0%	6.10
Ousbec 74.92	100	105%	105%	+04	+17	6,57
Sekisui Pre. 51, 92 WW	201	983	96%	-04	04	7.97
Renfe 74 92	70	105	105-	+04	+24	5.04
	90	106	1064	+0%	-0-	7.10
Soc, Lux. de Cnt. 84 92	100	97%	974	+0	+ 15	6.62
Tiroler Wasser 64 92		1027.	1031	+04	+24	6.32
Vorariberg Kraft 6%, 92		و عور	105	AN 14	-	0

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New Zealand 8's 87		. 39	100	0 -04	8.5U
World Bank 84 92	20	38 ,	99'	+02, +04	5.34

The list shows the 200 latest international bond issues for which an adequate secondary materials. For further details of these or other bonds see the complete list of Eurobond prices w	
' extern. For further recalls of these of timer bonds see the complete his of Europhia prices w	hich
will be published next on Tuesday July 13. Closing prices on Jun	
U.S. DOLLAR Change on Change on	
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9610 Life 15 88/97 . 150 983 9876 +93 -13 15.44 Bell Capade 16 89 C\$ 100 1963 967 0 -076	
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BFCE 54 88	0	987	984	28/10	16	15,15
BFCE 54 87	014		997	27/7	164	
BNP 54 89 WW	۵,	984	987,	6/11	75:19	15.40
Caisso Nat. Tale. 51, 90	01.				15%	15,57
CCCE 54 2002	03				15%	15.61
CEPME 54 92	04	385			15.44	
Chemical NY 54 94	Ð-7€	99			16.69	
Cant Illinois 54 94	O-a		99'			18.52
Credit Agricole 54 97	O34				15,44	
Credit du Nord 54 92	O.				16,81	
Credit Lyonnais 5% 97	014		381	1/10	:16	16.14
		981			. 14.69	
Denmark, Kngdm. of 92	0 <u>.</u> ™	†95	997,	25/8	15.44	75.57
Incland 5% 89/84	D3	1984		25/11	143	14.37
Kansailis Osaka 51, 92	D79	982			15,31	
Lioyds Eurofin 54 83	₽D³	287	994	29/10	17%	17.25
Long Term Cred. 51 92	O.	98	36'7	29/17	144 144	14.50
J. P. Morgan 54, 97	401	984	. 1991 . 1991 -	12/8	15.19	14.75
Net. West. Fin. 54 91		397	22,5	10//	12.13	13.29 .1E 89
New Zeeland 54, 87		99 99	997	1/ IU	15.56	46 19
Nippon Credit 54 90	0 ₂ *	981 ₄	997	2/52	15.08 . 14.19	14 23
Offshore Mining 51, 91	67	99°4	997	47/12	15.81	15.03
PKbanken 5 91	Ð.	987,	997	77/0	15%	15.57
Sec. Pacific 54 91	07	981	001.	20/4 28/11	15 .	15.15
Societe Generale 54 95	97	987	997	1/9	15,31	
Standard Chart. 54 91	0.	981	~ ·	18/11	147	15.06
Sweden 54 89	04	99	991.	26/R	. 15.31	15.43
Toronto Domin'n 5% 92	04	983	991	11/8	16%	16.54
Average price chang		On de	w +0	on '	week 0	,,
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Statistical Prints of a se	7.		001	25,10	46 34	45.44
Sweden 54 89	U4	27	22.7	29/ B	. 10-51	13.43
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CONVERTIBLE	Cnv.	Cnv.			Chg.	
RONDS	date	prica	Bid	Offer	day	Prom ?
Ajinomoto 5% 96	7/81	933	81	821,	+07	. 3.88.
Bow Valley Inv. 8 95	4/81	23.12	98	997	+0-	55.06
Bridgestone Tire 51, 96	3/82	470	831,	. 25	+0.	-1.60
Canon 64 25	1/81	829	821	845	. +1	7.90
Chugai Pharm 74 96	7/07	700 6		. 20	" .	÷7.03
Fujitan Fanuc 41, 96	17/02	ERAS	14/3		74.02	13.43
FUILED LEVICE 4.3 20	7/01	200				-4.86
Furukawa Elec. 54 96	7/01	4 70				-13.22
Hanson O/S Fin. 91, 96	8/81	1,30				
Hitachi Cable 54 96	2/82	515	. 54	89-7	TO .	3.19
Hitachi Cred. Cpn. 5 96	7/81	1612				. 4.28
Honda Motor 512 97						-1.45
Inchcape 8 95	2/81	4.55	†58°;			42.16
Kawasaki 64 96	9/81	229	62	631,	r+1	12.08
Marui 6 96	7/81	846.4	-98 ¹ -	100	+0%	. f.32
Minoha Camera 5 96	10/81	826.4	158	582	چنو	22.68
Minorco 94 97	5/B2	8.16	1751	77.	- 71	41.65
Murata 54 96	7/81	2168	66	671	-0-	12.34
NKK 62 96	7/81	122				-23.52
Nispon Chemi-C. 5 911	10/01	010				20.92
Nippon Channette 54 97	3/03	210				4.50
MIDDON FIRETUR 34 31	2/02	4705	. 677	9274 921		7.42
Orient Finance 54, 97	3/04	652	4007	857	1	9.28
Sanyo Electric 5 961	יטיייי	_022	LP3.2	99	TU2	3.20
Sumitomo Elec. 51. 97	3/84	577.3	844	20.	+4%	8.27
Sumitomo Mat. 54 961	10/81	296.1				42.07
Swiss Bk. Cpn. 64 90	9/80	191			+04	
Konishiroku 6 90 DM	2/82	, 586			702	
Mitsubishi H. 5 89 DM	2/82	263	2812	29 ¹ 2	+0%	22.44
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to information available—previous day's price † Only one market maker supplied a price. ght Bonds: The yield is the yield to redemption of the sprice; the amount issued as in militons of curroncy its accept for Yen bonds where it is in billions, onge on weak = Change over price a weak sertier. conting Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dta-Date next coupon becomes effective. Spread-Margin above six-month offered rate (\$ three-month; \$ shove make rate) for U.S. dollars. C.con-The current coupon. C.yld-The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day= Change on day. Chw. data= First date for conversion into shares. Chw. pice= Naminal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective pince of acquiring shares we the bond over the most recent

O The Financial Times Ltd. 1982. Reproduction in whole or in part in any form not permitted without written consent. Data supplied by DATASTREAM International.

New structure planned for Bell Canada

By Robert Gibbens in Montreal BELL CANADA, the eastern Canada telecommunications ultility, plans to reorganise its

corporate structure. A new, non-regulated holding company Bell Canada Enterprises, will be set up as the parent of Bell Canada itself and of 80 other subsidiaries and associates operating in non-regulated busi-nesses. Bell Canada will the governmentregulated telephone service

company. Existing Bell Canada stockholders will swap their shares one for one for shares of Bell Enterprises, Bell Canada, the subsidiaries and associates will each operate indepen-dently, while Bell Enterprises will become the umbrella company for the group, and will be in charge of overall development strategy.

Bell says the changes are designed to make a clear separation between regulated and non-regulated businesses and to put Bell's fast expanding telecommunications equip-ment businesses in a better position to compete.

The proposed reorgani-sation will not require the approval of the Canadian Radio-Television and Tele-communications Commission, according to Mr. A. I. de according to Mr A. J. de Grandpre, Bell's chairman, But Bell has attempted to satisfy CRTC requirements, he said.

\$2m losses at A. G. Becker By Our New York Staff

A. G. BECKER, the New York securities firm part owned by S. G. Warburg and Paribas, lost around \$2m in the eight months to end June. But the company firmly denies that it is suffering from deeper financial prob-In a statement aimed at

allaying market rumours, Mr Ira Wender, Becker's chief executive, said that the firm was making profits on its bond trading business but had suffered losses on its broking side where individual investors had been keeping out of the market in recent

months.

Becker's total capital after the loss was put at around \$150m. Becker's generated revenue of about \$170m in the comparable period last

year. As a result of the downturn in business, Becker laid off about 250 employees etween mid-March and May and is now left with roughly 2,800.

U.S. \$150,000,000

The Notes have not been registered under the United States Securities Act of 1933 and may not be

offered or sold in the United States of America or to notionals or residents thereof.

Chemical New York N.V.

(Incorporated with limited liability in the Netherlands Antilles)

Guaranteed Floating Rate Subordinated Notes Due 1994

Guaranteed on a subordinated basis as to payment of principal and interest by

Chemical New York Corporation (Incorporated in Delaware)

Credit Suisse First Boston Limited Deutsche Bank Aktiengesellschaft Kleinwort, Benson Limited Morgan Stanley International Swiss Bank Corporation International

Chemical Bank International Group Goldman Sachs International Corp. Merrill Lynch International & Co. Salomon Brothers International Union Bank of Switzerland (Securities)

Algemene Bank Nederland N.V.	Amro International Limited	Arab Bank Investment Company
'Arab Banking Corporation (ABC)	Banca Commerciale Italian	Bank of America International Limited
Bank of Tokyo International	Banque Bruxelles Lambert S.A.	Banque Française du Commerce Extérieur
Banque de l'Indochine et de Suez	Banque Nationale de Paris	Banque Privée de Gestion Financière
Banque de l'Union Européenne	Baring Brothers & Co.,	Bayerische Landesbank Girozentrale
Berliner Handels- and Frankfurter	Bank Caisse des Dépôts et C	Consignations Continental Illinois Limited
County Bank Crédit Agricole	Crédit Commercial de France	Crédit Lyonnais Crédit du Nord
Creditanstalt-Bankverein	Dai-Ichi Kangyo International	Daiwa Bank (Capital Management) Ltd.
DG Bank International Em-		Chicago Fuji International Finance
Girozentrale und Bank der österrei	chischen Sparkassen Hill S	Samuel & Co. IBJ International
Kidder, Peabody International	Kredietbank N.V. Lazard Broth	ters & Co., Lloyds Bank International
LTCB international Mitsubish	i Bank (Europe) S.A. Mitsubishi T	Trust & Banking Corporation (Europe) S.A.
Sanniel Montagu & Co.	Morgan Grenfell & Co.	National Bank of Abu Dhabi
Nordic Bank PLC Orion Roy		ters) J. Henry Schroder Wagg & Co.

Société Générale Société Générale de Banque S.A. Sumitomo Finance International S. G. Warburg & Co. Ltd.

Wood Gundy

Williams & Glyn's Bank plc

Westdenische Landesbank Girozenirale Yasuda Trust and Finance (Hong Kong)

Yokohama Asia

Standard Chartered Merchant Bank

Olivetti turnover and orders rise

OLIVETTI, the Italian data financial charges and L54.3bn in systems. They made up 5 per processing and office equipment tax. processing and office equipment tax.
maker, achieved a 27.2 per cent. Ing C Olivetti, the parent rise in group turnover to L1,871bn (\$1.3bn) in the first

by 14.9 per cent.

Sig Carlo de Benedetti,
Olivetti's vice-chairman and
chief executive said he did not
expect profits this year to be as
high as those of 1981. Markets
were suffering the effects of were suffering the effects of world recession, and it was difficult to foresee when recovery

Olivetti, which is Europe's largest company in its field, and the eighth largest in the world, was presenting its 1981 accounts for the group. For the first time they have been prepared on a consolidated basis, certi-

fied by auditors.
The accounts showed the group's net profit, on turnover of L2.887.9bn was L95.6bn, slightly down on 1980's L104bn. Turnover was up 32.5 per cent, partly due to the inclusion of newly acquired subsidiaries. enormous growth of sales of books a year early. Its Operating profit was L356.4bm. the Olivetti electronic type-accounts were certified by About L174bn, was absorbed by writer, and electronic writing Arthur Andersen, the U.S. firm.

Ed. Züblin AG

Losinger AG

company, earlier this year announced record profits of LS7.8bn. some 75 per cent up 1980, with turnover of Sig de Benedetti described

the group profits as "extremely modest" in comparison with turnover. But they were muchbetter than those of Olivetti's European competitors, and represented a continuation of the major turnround in the fortune of the group since he took over management in 1978. He showed the company had changed to being a predomi-nantly electronics based concern from a manufacturer of office equipment. In 1978 exactly half its group turnover consisted of distributed data processing and office automation products. In 1981 that proportion was 66 per cent.

This announcement appears as a matter of record only.

Entreprises de Construction du

Barrage de Manantali (ECBM)

A joint venture of

Deutschmark 99,622,643

Franc Malien 6,397,682,906

Guarantee Facility

In connection with the construction of the Manantali Dam for

l'Organisation pour la Mise en Valeur du Fleuve Senegal

This Facility was arranged and provided by

Continental Illinois National Bank

and Trust Company of Chicago

This was mainly due to the

Dyckerhoff & Widmann AG

SAGECCOM

May 1982

per cent in 1980, when sales of these products rose 33 per cent. Olivetti had 28 per cent of the world market, which Sig de Benedetti believed was the single largest share.

single largest share.

Although about half Olivetti's 53,500 employees were in Italy, only a third of its sales were there, and just over two thirds in Europe. Sig de Benedetti also pointed out that Europe's share of data processing and office equipment products traded with other world trading blocks had fallen from 28 9 per blocks had fallen from 28.9 per cent in 1970 to 19.7 per cent in 1980, at the expense of Japan and other countries outside Europe and North America.

Olivetti is the first major private sector group in Italy to present consolidated and certified accounts. Major quoted companies are required by the Consob. the stock exchange regulatory authority, to do so in 1983, for the 1982 financial year. but Olivetti has produced its



Sig. Carlo de Benedetti, vice chairman and chief executive of Olivetti, which presented consolidated ...and ...certified accounts for 1981 - a year earlier than required

Sharply higher earnings for Norgas

By Fay Gjester in Oslo

NORGAS, the Norwegian pharmaceuticals, offsbore services and industrial group, reports sharply higher earnings in the first four months of 1982, compared with the same period last year. Profits before taxes and allocations were NKr 48m (\$7.6m) — NKr 16.4m higher than in January-April 1981.

Turnover in the four months reached NKr 571m up NKr 173m on a year earlier. In-NKT 1/3m on a year earner. Increases in sales were most marked in the divisions for industrial gases, pharmaceuticals and protective equipment. Unitor Ships Service, a marine services company in which Norgas holds a 43.8 per cent stake also contributed stake, also contributed

Last month. Norgas A/S, the group's parent company, in-creased its share capital to NKr 144.6m from NKr 124.6m through a private placement on the UK market of 800,000 new shares. With a par value of NKr 25 each; the shares were sold for NKr 140, each, and the profit on the issue — about NKr 90m — is being put to

saving plan rattles bankers By Our Copenhagen Correspondent

Store chain

A SAVINGS plan started by IKEA, a chain of furniture shops, has rattled Danish bankers.

The company offers a rebate to customers who save with them. The discount is calculated monthly and is equivalent to 15 per cent a year.

Mr Thomas Brandt, management and the said vectories. ing director said yesterday, "we have had more than 3,000 inquiries about the scheme since it was introduced two days ago. We think it will belp people who find it hard to save up for things in the

normal way-"If the customer does not want to buy anything from us he is welcome to have his cash back but there is no interest. We only give the rebate when there is a sale involved," he

"This is not an alternative to banking but an offer to each customers who know they will need to buy some furniture in the next few years." The banks do not see it that

The banks do not see it that way and are closing ranks to fight off what they consider an attack on their territory. Mr Hans Paasehburg, chairman of the Danish Banks. Association, said the commercial banks and the savings hanks were strongly

ings banks were strongly opposed to IKEA's scheme.

"If every shopkeeper in the country becomes a deposit taker it will hurt us." said Mr Passchburg. "And as soon as one retailer starts something like this they will all have to follow suit.

It is not just the banks which are concerned. Mr Mogens Lykketoft, Tax Minister. Is also looking at

the position.

IKEA faunched an advertising campaign to boost the savings plans yesterday. The banking board of control said it thought such advertising was a breach of the banking law. Understandably, Mr Brandt

cannot see any problem. "We have been in touch with the banks since January and in our opinion we are not breaking any laws. If they want-us to provide guarantees that customers' money is safe we will do that. We will cooperate in any way but we won't stop the scheme."

CONTRACTS

£10m orders from NCB

heading machines, for the period July 1 1982 to June 30 1983. Total estimated value is £5.6m and the business has been awarded to: ANDERSON STRATHCLYDE; HALL AND PICKLES; MARWIN MINING TOOLS; PADLEY AND VENABLES; TUNGSTEN CARBIDE DEVELOPMENTS; and WIMENT MINING.

Fire resistant flexible ventila-tion ducting and fittings and fire resistant wire reinforced ventila-tion ducting and fittings for ventilation for the period July 1-1982 to June 30 1983. Total

thave been placed by the National business has ben awarded to:
AMCO PLASTICS; DOWTY
Mineral cutting tools for use underground on coal cutting and amd GENERAL MINING AND ENGINEERING COMPANY. Hook-type lagging nanels for lining underground roadways, for

BY JOHN WICKS IN ZURICH the period August 1 1982 to July 31 1983. Total estimated value THE SWISS Federal Banking Holding (Luxembourg), which Countrission has had talks with in turn owns 45 per cent of the Gotthard Bank on "possible Lugano-based Gotthard Bank." is £1.4m, and the business has been awarded to: BRC ENGINEERING COMPANY; repercussions in relation to the LOTHIAN REGIONAL COUN events concerning Banco Ambrosiano." CIL: TINSLAY WIRE; and GRIDWELD. The troubled Milan bank, which is currently being run by tion presented, by Gotthard a commissioner appointed by Bank and will take no further the bank of Italy and the Italian measures.

BABCOCK-MOXEY, Gloucester, part of Babcock International, has been awarded a coal handling contract valued at hetween £7 and £3m for the National Coal Board. It is for Treasury, has a 70 per cent The Swis bank has stated a stake in Banco Ambrosiano it is entirely Swiss-managed National Coal Board. It is for the manufacture, supply, de-livery, erection and commission-ing of the run-of-mine and washed products conveying systems for the south side pro-ject, Grimethorpe Colliery, Barnsley area. The new plant will involve three miles of con-veyors and supporting structures which will carry coal from the new mine drift to a new coal washery. The coal will then be conveyed from the washery to one of the train loading stations, one existing and one yet to be built. The complete system will include fabrication and erection of some 4,000 tonnes of steel-work. All belt conveyors and transfer houses will be sheeted to ensure a minimum of dust pollution to the neighbouring environment. Work has started and is scheduled for completion by the end of 1983.

VAUXHALL MOTORS has received a £5m order for almost 500 of the latest Bedford 4-tosme M-tyle all-wheel-drive trucks from the Ministry of Defence. Features of the new M-type include the replacement of the multi-fuel engine with a more fuel-efficient inrbocharged 5-4 litre diesel engine. The wideratio gearbox fitted to the earlier models is also superceeded with a close-ratio box to match the characteristics of the match the characteristics of the turbocharged engine. Both front and rear axle torque capacities have been increased to match the higher engine output, and the brakes have been revised tomeet all known future EEC and MoD requirements.

Orbit Electronies is to instal ICL point-of-sale terminals to handle deily sales and stock control of home entertainments products in its new High Street showrooms. Initial order placed with International Computers is valued at over £150,000. It includes 38 of ICL's new 9507 point-of-sale terminals and 38 ICL 9526 terminal controllers.

RENOLD POWER TRANS RENOLD POWER TRANSMISSION has been awarded four contracts, worth about ££10,000 in total, for the manufacture and supply of conveying chain, and steel wheels for the Ford Motor Company, for incorporation in assembly conveyors at Halewood and Dagenham car plants.

Loss forces Dutch building group to prune workforce

VERENIGDE NBM-Bedriven, (NBM) one of the biggest Dutch construction companies, is in trouble with its banks and planning to cut jobs and abandon several loss-making activities.

don several loss-making active ties.

The banks—ABN, AMRO, Mees en Hope, NMB and Van Lanschot—are understood to be startled by the extent of the companies losses which reached F1 32m (\$11.7m) in 1931. They believe that only dreated DIME. believe that only drastic prun-ing will enable the company to

ing will enable the company to continue trading beyond the end of this year.

Another Dutch company facing possible bankruptcy proceedings if something is not done quickly: is Unikap, the bicycle manufacturer, which last year incurred a deficit of FI 11m. Unikap's creditors have granted it an 18 month stay of

increase. In 1981, a total of 6,865 small and medium-sized companies were forced out of ing plan drawn up two years business—a rise of 40 per cent ago has proved only partially over 1980—and the situation in the first five months of this year has worsened. If the present trend continues, a further 8,500 were to be made redundant. With losses continuing this companies will be in the hands of the receiver by December.

Larger companies naturally ment of certain debts for an un-Larger companies naturally

have greater resources and can often respond to difficult trading conditions first with job-shedding and shorter hours, parts of the company. on the banks and are therefore less likely to be rapidly forced. into closure by creditors.

The case of NBM dilustrates, bicycle manufacturer, which last year incurred a deficit of FI 11m. Unikap's creditors have granted it an 18-month stay of execution, but the long-term future of its 350 workers is in doubt.

Bankruptcy in the Nether-lands, as elsewhere, is on the ing recession in construction has 1983.

were to be made reunmant.

With losses continuing this year, NBM has asked the civil courts to permit it to defer payment of certain debts for an unspecified period and has arranged sengrate credit separate

This year, NBM expects sales to fall from last year's FI 1bn to about F1 600m, and if the latest emergency remedies fail bank-ruptcy must be seen as the in-evitable consequence.

Unikap is also seking a moratorium on debt repayments. Managing director, Mr G. Kaperman, forecasts a loss in 1982 of between F11m and F12m, but expects a return to profit in

Skis Rossignol falls into the red

BY DAYED WHITE IN PARIS

SKIS ROSSIGNOL, the French down to about \$1m. The tennis cut in financial charges sports equipment group, racket division, launched in The group's strategy sports equipment group, tumbled FFr 26.9m (\$3.9m) into the red in the year ended March, 1982, but expects to get back on its feet in the current year.

M Laurent Boix-Vives, chair-

nan of the one-time star performer of the Paris stock market said the group would break even again in the current

1976, would bring in a profit for the first time, he said. Last year Rossignel dropped it better to demand,

most of its cheaper models of

financial year. Losses of its U.S. workforce over the last two quarters of turnover, rose to subsidiary, which reached \$6.3m years (notably in the U.S.), a 27.4 per cent in value terms in 1981-82, would be brought reduction of stock levels and a from 24.6 per cent.

The group's strategy would be based on "a revision of our based on "a revision of our industrial capacity so as to adapt

Turnover ,after increasing by racket, with the result that the volume of sales fell by almost a 1981-82, would remain above third to 225,000. Recovery measures had led to The group's world market share a 20 per cent reduction in the in skis, which make up three-

Soft loans for

French small

businesses

Italimpianti president resigns in protest

SIG Lucien Sicouri, one of the insisted that the freedom of best known of Haly's public sectuance of the company was tor managers, has resigned from a key to its success. The decithe presidency of Italimplanti, the Finsider steel subsidiary which he built up into one of Europe's most successful plant appointed that an Italimpianti process groups.

His move is understood to be in protest at the formation of a new holding company— Impiantistica Industriale—to take control of all the plant pro-

Sig Sicouri, 58, has always L6.3bn in 1981.

pany was "anachronistic and wrong," he said. He is also dis-

In his 15 years at Italimpianti Sig Sicouri has seen it grow into a group with sales of L921bn last year, and orders of cessing operations of the IRI about L25005n (\$1.80n). Ungroup, to which both like most of the state sector if Italiumianti and Finsider has been consistently profit. able. reporting earnings of

Lugano based Gotthard Bank. In a communique issued yes-terday, the Swiss Banking Com-

mission says it is satisfied with explanations and documenta-

The Swis bank has stated that

Ambrosiano links lead to

probe of Swiss bank

By Our Financial State PHE French Government is to offer soft loans to small businesses which may be harmed by the wage and price freeze eginning next menth.

Under a plan outlined by the Economics Ministry, small cor-porations, employing no more than 500 workers, could qualify for short ferm credits, which will be offered by the state and nationalised banks.

The direct state loans will

bear a maximum interest rate of 10 per cent, while banks will be allowed to offer credits at 2 percentage points above the base lending rate, currently 14

Loans will be limited to a maximum of FFr 4m (\$580,000) for each company, while the length of the credit will vary according to need with a maximum repayment term of 18

Only those businesses that can show that their operations are severely harmed by rising costs during the July October price fraze will qualify for the special credits.

The measures would primarily involve small industries that rely on products immune to the Government's price-freeze. These include imports, agricultural goods and energy

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June 16, 1982



(Tyres & Exhausts) Holdings Plc 1981/82 Edracts from the statement of

Dividends Tumover

Operations

Mr Alec Stenson, Chairman Group profit before taxation for the year ended 28th February 1982 amounts to \$1,555,744 and compares with \$4,012,927 for the previous year. Net profit after taxation credits amounts to \$1,788,648 compared with a net profit after taxation of \$2,045,137 last year.

Dividend maintained at same level as last vect-1.364p net per share.

Group turnover for the year ended 28th. February 1982 amounted to \$34,369,309 compared with \$27,357,597 for the previous year. The Group is presently operating from 203 retail-tyre and exhaust centres in the UK and 20 in Holland, West Germany and France. A further 13 sites are under development. During the year the Group's administration procedures have been upgraded with the installation of computers in Head Office. Data collection terminals have now been installed in all centres. An extensive programme of upgrading and modernising all centres has been complete

Outlook 1982/83

Tracing for the first two months of the new financial year shows an improvement over the same period last year. The completion of the integration and refurbishment of the large number of depots acquired during the last two years, rogether with improved administration controls, means that the Group is well prépared for the future.

Copies of the Annual Report and Accounts for the year anded

the Company Secretory Kwik Fit (Tyres & Ediques) Holdings P.C. East Main Street Broxburn

The Friday adding

An extraordinary gain of Y25.2bn was made on the sale of the shares to Toyota Motor to help achieve the merger of the companies. From July 1 the combined company will be called Toyota Motor Corporation.

Including the gain. Toyota Motor Sales' group net profits were 139.49hn (\$158m), up from Y31.52bu a year earlier. Group sales rose by 9.5 per cem to Y4.048bn (\$16.2bn). Pre-tax profits rose by 15 per cent to Y68.9hn.

The results were in line with the parent company figures published in May which showed a 23 per cent rise in net profits to Y38.1bn on a 9.7 per cent rise in sales. Group car sales rose by 10

per cent in the last uscal year to Y3.494bn but fell in yolume terms by 1.9 per cent b-3.19m units. Exports fell by 7.3 per cent to 1.67m units. reflecting restraint agree-ments in North America and Europe. Domestic sales rose by 4.8 per cent to 1.52m

Earnings advance at Toyo Kogyo

TOYO KOGYO, Japan's third reach manufacturer. reported a 13.5 per cent rise in net profits at the parent company level to Y10.66bn (\$41.7m) in the first-half ended April 20

A higher proportion of upgraded models in its range, sold under the Mazda trade name, and improved export profitability, helped by the depreciation of the yen in the foreign exchanges, lay behind the improvement.

First-half operating profits improved by 10 per cent to 27,578 vehicles to 169,014, and

BY OUR FINANCIAL STAFF

the diversified Australian indus-

trial and building materials

group, has lifted net earnings

by 21 per cent to A\$41.09m (US\$42.4m) for the year ended March 31 from A\$33.85m.

Turnover rose by 27 per cent. to A\$955.98m from A\$749.89m a year carlier. A final dividend of 11 cents a

share (unchanged from a year

Strong profits and sales

growth at James Hardie

JAMES HARDIE INDUSTRIES, for-four scrip issue.

Sales fell by 13,764 vehicles to 609,378, representing a 14 rose, however, in value terms per cent fall in value terms, to take a 63 per cent share of Car sales rose by 13,810 to total turnover. Export sales 440,364 units to show an 8 per included 39,020 vehicle kits cent gain in value terms, and to account for 63 per cent of total sales. This improvement was attributed totally to buay-ant domestic sales of Familia

mødels. Truck sales declined by

Mr D. K. Macfarlane, manag-

ing director, said he was con-

fident the rate of progress can

be maintained this year despite

The company experienced a

a slow start.

of lower truck sales. Exports exports to these regions. up 2,999—for Ford Motor of the U.S., which has a minority stake in the Japanese company.

Toyo Kugyo shifted its sales stress to the Middle East (up by 28 per cent in the half) and Oceania (up 36 per cent), using Ford's sales networks. This

reach Y21.2bn. Sales of by 17 per cent in value terms compensated for a 10 per cent Y590.27bn (\$2.3bn) were up by 10 account for 18 per cent of fall in European sales and a 15 per cent. Profits per share for the half-year were Y13.73, against Y12.80. Whicle exports fell by 22.215 American sales arising from units to 417,300, mainly because voluntary restrictions on

In the current half-year, the company expects car sales to match the first-half level, to give a full-year total of 1.22m units. compared with 1.24m last year. Operating profits in the half are also expected to equal first-half

Full-year operating profits are put at Y43bn, up 5 per cent, on full-year sales of Y1,190bn, up

New Zealand insurance group ahead by 25%

BY OUR FINANCIAL STAFF

NEW ZEALAND South British Group, the New Zealand-based insurance company, has reported a 25.5 per cent increase in net profits to NZ\$40.9m (US\$30.8m) for the year ended March, Total revenues rose by 7.3 per cent to NZ\$544.6m.

somewhat slower rate of growth The board said operations in in the second half ended March than it had in the first half. Australia, which account for 48 per cent of the group's activity. Despite diversification into reported a loss for the year becarlier) was declared making a such products as packaging, the total of 22 cents (against 21 company still derives more cause of severe competition. Asian operations showed excellent returns while busicents) for the full year. The than half its revenue from company also announced a one-building products.

where was satisfactory.

The company is the result of the merger in June 1981 of New Zealand Insurance Company and South British Insurance Com-

For the six months ended September it reported a net profit of NZ\$20.9m. This included, however, underwriting losses totalling NZ\$18m, more The full-year results were in line with the forecast at the interim stage of a similar second less in New Zealand and else- half.

These certificates have been sold.

هكذا من المصل



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March, 1982

Jonathan Sharp in Bangkok finds an Asian flag carrier undismayed by a sharp fall in profits

Thai Airways plots a course for recovery

THAI AIRWAYS INTER- less, it is Thai's boast that for veloping nations. Thai Airways' NATIONAL, the national flag the past 17 years it has wage bill, he argues, is at least carrier, held on to a profit, if remained in the black, if, 10 per cent lower than it would only a modest one of 39m baht latterly, only just. Soft loans (\$1.7m), in the year ended Mr Chatrachai Bunya-Ananta. Despite the world recession September 1981, but claims the government-owned airline's Thai and its two main rivals grounds for optimism despite vice-president for marketing, in the region, Singapore Airthese earnings representing a insists that Thai has a lot go-63.6 per cent fall from 1979-80's ing for it—more than just its 107m baht and a 92.4 per cent unquestionably charming stew-expanding, while decline from the record 516m ardesses and the free drinks American and

French sur

businesses

baht of 1978-79. o The optimism is also expressed despite profits this seen the rapid emergence of year being expected to show clittle if any recovery, and with-countries that are making in-out the airline foreseeing a sub-roads into the traffic of the stantial improvement in 1982-83. long-established airlines, he Over the past two years the eairline has been buffeted by

ing for it-more than just its "The past few years have

new carriers in developing says, and predicts that this trend will continue.

The main reason for opti-

dfactors, including fuel price mism, Mr Bunya-Ananta says,

lines and Hong Kong-based Cathay Pacific Airways, were expanding, while most North European that are served on many flights. carriers were at a standstill or in the process of retrenchment.

Thai, which was formed in 1960, now has 20 aircraft flying to 34 destinations in 27 countries. In the first six months of the current financial year. the airline recorded modest increases in passenger and cargo traffic.

The airline has embarked on trises, as has blighted the is the relatively low labour a campaign to cut costs at every tains, at the same time, that encouraged by the deregulat industry worldwide. Neverthe- costs in Thailand and other de- level and improve productivity, the biggest long-term problem policies adopted in the U.S.

seek a postponement. The Airsize of Thai's fleet, as they are to replace two ageing DC-8s

card. Mr Bunya-Ananta also sees a need to attract more, highyielding, business traffic. At present about 90 per cent of U.S., for instance, carry roughly says, but it had found a blank equal proportion of passengers response. on business and on pleasure.

But Mr Bunya-Ananta main-

The concern is committed to for relatively small carriers, taking delivery of three new air- like Thai, with little intercraft—two Airbuses and a national clout, is likely to be Boeing 747—in 1984, but may protectionism on the part of other countries. He is critical buses are to join a fleet of 10 of Britain, for example, already in service for Thai, but although it earlier this month are not planned to increase the negotiated an agreement with the capacity and stopover which the airline plans to disrestrictions on Thai's three weekly flights to London.

Thai would like to take the risk of increasing flights between Bangkok and London. and would offer expanded rights Thai's passengers are tourists, for British Airways to fly to

> Thai faces similar problems encouraged by the deregulation

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Testing time for Trocadero

next twelve months are going according to the market. at Piccadilly Circus.

Mr Lucas's level-headed realism is appropriate and it should be said at the outset that the ingenuity and imagination employed by the team engaged in one of the most ambitious redevelopment schemes ever attempted in the heart of London is roughly matched by the uncertainties, not to say misgivings, of many outside

the planning approval that had eluded others for 20 years.

ESN's proposals, which embrace a blend of retailing, restaurant and entertainment facilities unique to the UKplus an extensive office element managed to maintain

the tradition.

The basic charge against the plans appears to be that they mark too bold a departure from normal development options. Anyone trying to establish and operate a "mini-Disneyworld". along with shops and an acre of space devoted to food, in the centre of London and on the verge of an area better known

to be easy, but everything will The irony of the situation come right in the end." The will not have escaped the likes quiet confidence belongs to of ESN, one amongst the ranks Roger Lucas, the Richard Ellis of those institutions who are partner entrusted with the final. regularly berated for their concrucial stages in the develop- servative approach to investment of the Trocadero complex ment. Just try something a little different, however, and wait for the wagging fingers.

That there are problems yet to be faced at the £45m Trocadero complex is not being disputed, certainly by Roger Lucas. It seems equally crear that not everything has gone smoothly up until now.

Centrepiece

The building itself, under The Trocadero complex now the watchful eye of the Bovis quickly taking shape on a site sandwiched between Shaftesbury Avenue Covernment Street bury Avenue, Coventry Street, atrium-a standard design de-Wardour Street and the London vice around the world but gen-Pavilion, was surrounded by erally regarded in the UK as controversy long before Elec- about as attractive as high tricity Supply Nominees won alumina cement—is now clearly identifiable and very impres-

The handover of the first phase of the 400,000 sq ft complex is due at the start of 1983. with full handover following in the spring and trading com-mencing from May onwards. All retail space and restaurants are scheduled to be occupied by

the autumn. It is over a year since Ellis first spoke of a marketing campaign but the hard selling only began in March and so far tenants for two of the restaurants (now six rather than the original eight) are "close to ing fire and may well do so until signing." Rents for the cater- all refurbishment work is comfor less wholesome recreational ing space, planned to offer a pleted.

"I AM NOT pretending the pursuits is inspired or foolish, variety of eating "themes," are next twelve months are going according to the market.

the Swiss catering specialists the basis of a successful formula who helped advise on the for the retailing space. restaurant facilities, would take To date, about 50 per space as well as take on the management of this aspect of the centre, but the company bowed out.

will be a maximum of 30 units on throughout the redevelopoffering 35,000 sq ft of space at ment, an audio-visual, walk rents of between £30,000 and £50,000 a year—marketing will not start until the autumn. A and the London Experience, remix of multiple and independ- vamped and updated and not ent traders is being sought and Roger Lucas admits that timing will be tight, although much of the basic shop unit shells will be ready and waiting for tenants for finish off.

Offices

The overall Trocadero complex will also ultimately involve approximately 125,000 sq ft of separate office space, about 75,000 sq ft of which will be provided by a new building on the Rialto site in Coventry Street. A second new building, offering 30.000 sq ft is planned for the corner of Rupert Street and Shaftesbury Avenue and an additional 20,000 sq ft of floor-space is now coming through in refurbishment schemes.

Original plans envisaged an early start on at least one of the new blocks-with both completed and income producing -but they are still hang

ties, however, which are seen £15 a sq ft for lower level and as the magnet which will attract ground floor accommodation. "a different type of parson at a different type of person at It was hoped that Movenpick, different times of the day"-

To date, about 50 per cent of the entertainment space has been "secured." Tenants include the 300-seat Almost Free Theatre, Mecca's Golden Nug-As for the retail space—there gett Casino, which has struggled through exhibition to be run by an as yet unnamed UK operator likely to remain under ESN-

EMI management. Roger Lucas wants as much of the entertainment space as possible operational by next summer. He accepts that some of the earlier, more grandiose ideas have been scared down but reckons the centre "will get close to the spirit of the original

As for the tricky task of finding an entertainments manageoperation, an agreement with a British company was being described as "near" last March but the location of a capable candidate is clearly proving more difficult than at first seemed likely. It remains one of the more pressing prob-lems in a scheme which is regarded as a way of helping to put right a little bit of London now in desperate need of care and attention.
If ESN and Ellis get it right.

they will be congratulated for their foresight and imagination. If they get it wrong, the finger waggers will have a field day.

Car rental group drops office plan

AVIS has dropped plans to occupy the 100,000 so ft office scheme being developed by London Transport at Uxbridge. The scheme, which is nearing completion and is being financed by the Post Office Pension Fund, was to have become the car rental group's new headquarters, although it was envisaged that much of the space would

Now a review of space requirements has led to a change of heart. Avis signed the lease over two years ago. with terms to be finalised on completion of the building. The rent would have been significantly less than the £1m a year which has been talked

initially be sub-let.

Fletcher King, who arranged the original deal, have been asked by Avis to find new occupiers and the agents say they are in negotiations with several potential tenants, although a single occupier now looks unlikely. Rents have been quoted at £14 a

cil this week formally wrapped a conservation zone around what is left of the old Kensington town hall, demolished with the approval of the local council to make way for an office scheme proposed by District and County. The move is likely to represent little more than a

gesture, as either the Depart-

• The Greater London Coun-

the council itself (depending on where ownership of the site now rests) can give the go-ahead for total demolition —if it is sought.

• The Freshwater Group is to develop a 117,000 sq ft office building on a site at Bankside, SEL To be called King's Pike House, comple-tion is planned in two and a half years' time. The site for the air-conditioned, doubleglazed building is close to the original location of Shakespear's Globe Theatre. Joint. agents for the scheme are Dron & Wright and St Quintin.

• UDS Properties has sold 87-89 Union Street, Aberdeen, to Prudential Pensions for a price in excess of £1.1m. The. property has been let to Raybeck at an annual rent of £45,000. Watson Neave acted for UDS in the letting and

• In fairness to Knight Frank & Rutley, I should point out that the lettings at International House, re-ported here last week, were the results of their endeavours and did not follow on from the developers' decision to open the doors to other

 British Rail Property Board has agreed the sale of 11 acres of land to the Merseyside Development Corporation, raising over £400,000.

New shopping centre go-ahead in Huff

KINGSTON UPON HULL'S The centre will include a first gallant campaign to come in floor, 40,000 sq ft market half-from the cold and prove itself an integral part of the UK economy, already been pre-left to Midland rather than an isolated appear. Development, which will fit out dage, took another step forward and manage the training areas. this week.

While the City was busy individual shop units ranging celebrating the first anniversary upwards from 18th spirit Original of the opening of the Humber proposals for two stops with more than 20 sq. if of training out to unveil plans for a floor look like being abandoned redevelopment scheme which is with the space being carved up appeared to enhance its claims as into smaller units. a major regional shopping centre.

Having granted a 125-year ground lease on a two acre town centre site, which has been

The scheme. close to the City's principal shopping area around Albion Street and Bond Street. will comprise 145,000 sq ft of shopping space, together with 500 car parking spaces. Funding talks with potential institutional partners are about to start and development is due to begin next spring. Trading should be-underway late in 1985 or early

Centre," the development repre-nificantly undershopped and sents the largest town centre the Humber Centre will repre-shopping scheme to get under-way in Hull since Ravenseft's major, centrally-located retail Prospect Centre in 1973.

In addition, there will be 19

The developers, with as a con-dition of the lease will return the car park to the control of the council, expect the standard unit to command rents of around

cording to the City Fathers given Hull a badly needed boost extending the City's catchment area and bringing its shopping facilities within the reach of around 850,000 people on Hun-

- According to Arthur Oaks visiose company has plans for a 120,000 square feet retail scheme in Wandsworth, Lordon as well as consent for a schem Christened the "Humber over Putney station Hull is "sig-

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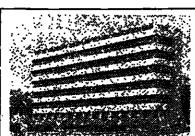
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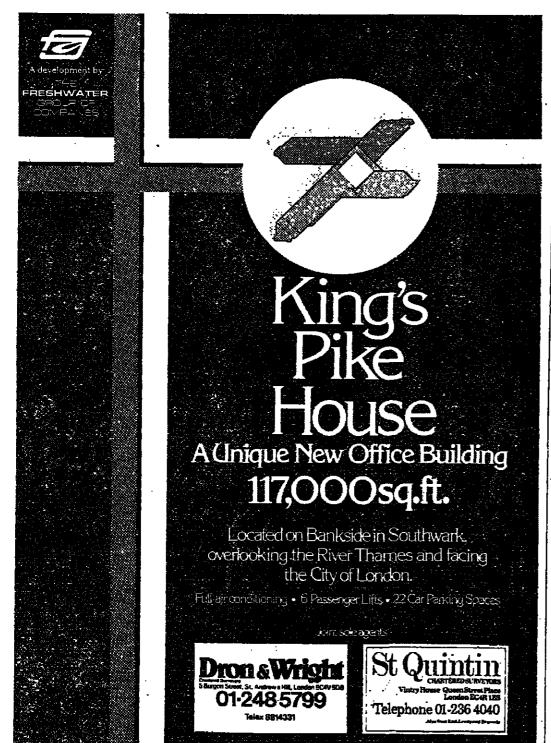
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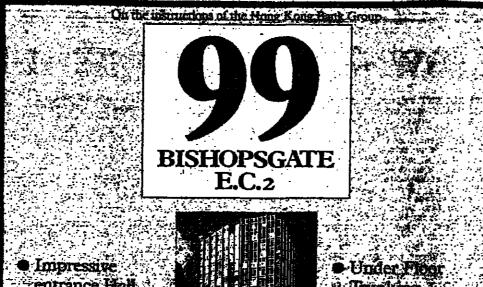
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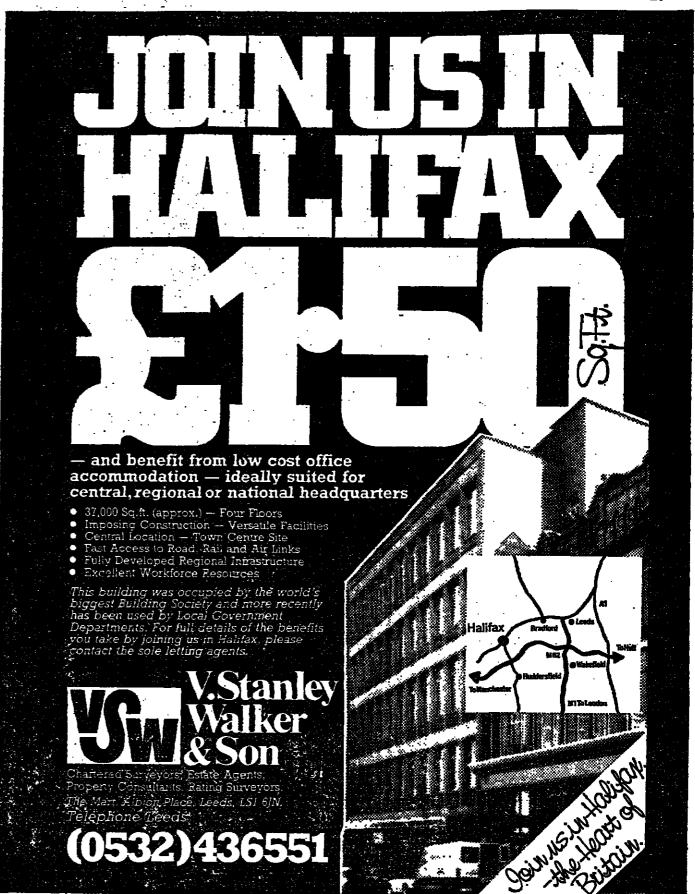
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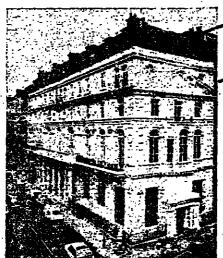




FOR SALE BY TENDER (Returnable by noon 30th June 1982)

LONDON SW1

10 ST JAMES'S STREET



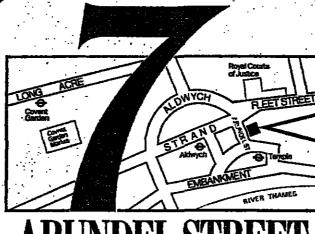
IMPORTANT ANNOUNCEMENT 10, 15/16 CROWN PASSAGE

particularly note that a major letting has now been effected for the first floor office accommodation and a new lease has been granted for 15/16, Crown Passage. The existing underlettings will now produce a total of £206,000 and the vacant accommodation is reduced to 8,175 sq. ft. The total income including the guaranteed rent is increased. to£306,000.

1-lealey & **13**cker

29 St. George Street, Hanover Square London WiA 3BG

Richard Ellis Offices



LONDON WC2

Modern Self-contained Office Building

Plus Basement Car Parking

Richard Ellis, Chartered Surveyors



TOWN CENTRE SW19

New Office Building Adjacent to shops & close to Underground Station

8,200 sq. ft. TO BE LET

Occupation September 1982

*Centrally heated *Extensive private car parking *Fitted carpets & lighting

ones Lang Wootton

a 01-493.6040

PriorsWay Industrial Area Maidenhead Berkshire Last Unit Available 6,55 sqft TO LET

Princent M4, high specification, being and lighting to the offices, good loading and 3° car parking facilities Weatherall Green & Smith 01405 6944

Healey & Escher 01-629 9292

PROBLEM

Don't leave it too late. 100% I.B.A. Scheme Avon. Close to M5 £465,000. 8% Net.

MALONDE BROS&PARHAM

64 Queens Road, Bristol, BS81RH. Tel: (0272) 290731.

Location Bracknell Location **Town Centre** Location Miller House

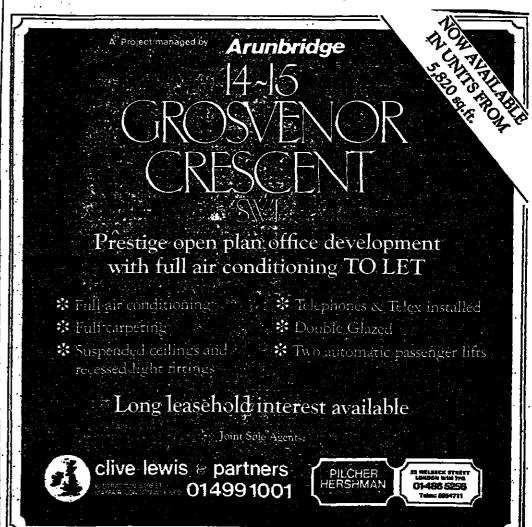
> **Prestige Offices** 8,600 sq.ft.-55,000 sq.ft. Prime Retail 34,000 sq.ft.

Bell-Ingram

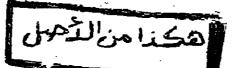
Healey & Baker 4371274 629 9292

ANOTHER MULER DEVELOPMENT





NEW YORK	Stock 25 22 Columbia Gas 294 294	Stock June June 22 22 Gt. Atl. Pau. Tea. 618 6	MGM 634 678	Stock June June Stock 23 22	Dow 4	1.5 hig	her at	mid	session
ACF industries 5134 3014 AMF 1578 1518 AM Inti 2614	Columbia Pict 72 72 72 72 72 72 72	On Horing Bet 170 ! 2	Metromedia	Schlitz Bre w	THE RECENT rallying tre	end on Oil and Gas 47.9 at stage Metals and Minerals	t 2.491.5 and Krupp Stabl 7.9 at 1.250.9. Thyssen D	advancing DM 3.90.	show lower real profits. The Ali Ordinaries index Trigoral 6.7 at 464.9, the Oil
AVX Corp		Guif Oil	Monarch M/T 1434 1434 Monsanto 5775 5736 Moore McOmrk 1534 1646 Morgan (JP) 4975 4831 Motorolo 6378 61	Sears Roobuck 19% 191s Security Pac. 285s 283s 283s 283s 283s 283s 281s 281s	further active dealings. Analysts continued to de the raily as primarily tec in nature, but said it coul	Omega Hydrocs escribe CSI to CS124 on 2 chuical Denis Mote, with I d con- Stuart Canada, said	rbons rose DM 56.50, 0,740 shares DM 27.50 Bache Halsey DM 1.70 to there is noth- Volkswag	Hoeseh DM 1.60 to and Mannesmann DM 139.50.	and Gas index 11.6 at 425.3 and Metals and Minerals 10.9 st 319.5, while Industrials managed a less impressive improvement of 3.7 at 629.0.
Ahmanson (H.F.) 81g Air Prod & Chem! 281g Akzona 151g Akzona 241g Albany int 241g Alberta-Guiv. 12 Albertaon's 313g 304g	Cons Freight 5376 3514 Con. Nat. Gas 2312 2314 Continuer Power 17 17 Cont. Air Lines 4 4 Contl. Corp 2518 23 Contl. Corp 2614 2619	Handleman	Murchy (GC)	Signode	tinue if the market could on to its gains yesterday. The Dow Jones Ind Average climbed a total of over the first three session	stock. He said in fustrial more confidence in f 24.55 play in Manitoba.	vestors have Deutsche B Omega's oil to DM 262. DM 1.60 m Electricals.	ank firmed DM 1.90 90. AEG regained ore to DM 33.50 in	Resource stocks led the upturn, which began from the opening and continued until the afternoon when profit-taking sel in.
AlconAluminium 181s 1712 Aloo Standard 2014 2014 Alexander & Al 24 2458 Aleyheny Int. 24 245 Allied Corp 3112 314s Allied Stores 2934 2912 Allis-Chalmers, 125 1218	Conti. Itinois 244, 2334 Conti. Teleph 16 1854 Control Data 243, 244	Heola Mining 754 018 Hainz (HJ)1 32 12 32 14 Heller Intl 1632 1649 Hercules 1812 1819 Fershey 4059 4012 Heublein 5842 3614	Nat. can	Skyline	this week from last Friday month low, spurred in pa Wall Street's relief that Co was finally able to appr Federal Budget for fiscal	art by The sharp fresh ingress Street overnight are continued steadier 1983, the U.S. dollar gav	rally on Wall Bayer down of the yen's DM 105.20 trend against Dealers to the Tokyo provement	on DM 1.70 at ex the dividend. attributed an im-	Among Minings, CRA put on 10 cents to A32.65, MIM 13 cents also to a price of A32.65 and Wester Mining 7 cents to A33.02, Coal Mining issues Oak-
Alcoa 241 2318 Amal. Sugar 441g 441g Amax 201s 1914 Amdahi Corp. 1912 1814	Cooper Inds 2634 2634 Coore Adolph 11 11 Copperweld 1314 1314 Corning Glass 4614 4518 Corroon Black 20 20	Hitton Hotels 351a 35 Hittachi	Nat. Standard	Sth. Cal. Edison 5119 307s Southern Co. 1214 Sthn. Nat. Res. 25 238 Sthn. N. Eng. Tel. 4214 Sthn. Pacific 30 295s Southlands 2314 Sw. Baneshares 2434 241s	was 4.56 higher at 817.73.	Index puter spy case invo	er, the com- showing in lying Hitachi Bond mark ectric repre- worrisome	Wednesday's U.S. ext the belief that a domestic tax issue aid to rest and a	bridge, A\$1.38, and UMAL, A\$1.69, gained about 9 cents apiece. Firmer Gold prices boosted
Amerade Hess 1953 1914 Am. Alrlines 1814 1714 Am. Brands 4058 40 Am. Broadcast's 3712 3553 Am. Can 2712 2716 Am. Cyanamid 2732 2554	Cox Broa cast'g 2614 2634 Crane	Holly Sugar 514 5158 Homestake 1934 1814 Honeywell 68 6678 Hoover 10 10	New England El. 267s 271s NY State E & G. 165s 165s NY Times	S.W. Bangshares 221s Sperry Corp 221s Spring Wills 251s Square D 251s 244s Squibb 341s 341s STD Brands Paint 231s 231s	declines by a seven- margin. Turnover amount 41.70m shares, compared 40.19m at 1 pm on Wednes Some manufacturers of	to-four an undermining ted to general sentiment with and the market records. mixed to easier on	again later, tions of the deduction of the deduction in the deduction is the deduction of the deduction is the deduction is the deduction in the deduction is the deduction in the deduction in the deduction is the deduction in the deduction in the deduction is the deduction in t	Bundesbahn Bond Government Rail- came out with a	GMR 30 cents to A\$2.50, Peko 10 cents to A\$3.50, Central Norseman 10 cents to A\$3.40 and Bongainville 4 cents to A\$1.06. In the Oil and Gas group.
Am. Elect. Powr. 164 1668 Am. Express 4178 41 Am. Gan. Insnoe. 3812 3812 Am. Hoist & Dk 1118 1034 Am. Home Prod 3734 5738 Am. Hogg. Supply 4578 4318	Curiss-Wright 36:8 36:8 36:9 56:2 56:2 56:2 56:2 56:2 56:2 56:2 56:2	Hospital Corp 301s 291s Household Intl 191s 191s Houston Inds 181s 1814 Hudson Bay Mng. 111s 107s Hughes Tool 201z 193s	NICOR Inc. 28 277a Nicisen (AG) A 4654 4654 Ni. Industries 257a 195a NLT 29 29 Norfolk Southern 45 421a Nith Am. Coal 26 24 Nith Am. JPhilips 367a 361a Nith Am. JPhilips 367a 361a	Std Oil Cilifornis. 30 295g Std Oil Indiana. 42 41 Std Oil Ohio 3234 317s Stanley Wks 14 14 Stauffer Chem 1814 1814	communications Equi pointed higher, with No Telecom up 1½ to \$37½, Re to \$23½, GTE ½ to \$27½	pment was finally a sligh rthern on the day at 7,152. olm 1: Tokyo SE index i, and 536,96 Volume was a	18 2.05 down 9.5 per ce 18 while the mated yield 18 1.34 at and pricing -condition	st romnon an esti-	Santos rallied 13 cents to A\$4.90 and Hartogen 15 cents to A\$2.05. Overall market leader BHP recovered to A\$7.14, but closed
Am. Medical Intl 9159 2119 Am. Motors	Derre	Husky Oli	Nth. Am. Philips. 351a 361a Nthn. State Pwr 2714 2714 Northgate Exp 5 27a Northrop	Starting Drug 234 22 Stering Drug 234 1432 Stevens (J.P.). 1512 1432 Stokely Van K. 3012 30 Storage Tech 2314 2178 Sun Co. 3514 234 Sundstrand 2514 24	Scientific Atlanta 1; to \$13 Volume leader First Inte Bancorp was up 1 to \$2 block of 750,000 shares traded at \$244. Goldman	erstate Hitachi featured 5. A Y31 more to Y635 a 5 was Y9 on Wednesday.	by falling ment. The DM 27.6m of the declining by Mitsubishi DM 46.3m to 1222 for a DM 46.3	e Bundesbank sold of public paper com- h a purchase of	only 6 cents harder on the day at A\$7.04. The shares lost 8 cents on Wednesday, after announcing that its iron and steel output figures for the year
Am. Standard	Detroit Edison. 11½ 11½ 11½ 11½ 11½ 12 12 12 12 12 12 12 12 12 12 12 12 12	U int	Nwest Inds	Superior Oil	and First Boston sold the swhich they received from company through a stoodebenture exchange. Hitachi lost \$1 more to	shares, two-day retreat of m the Other Computer k for remained depressed. Electric weakening	Y13. Paris issues also Shares w with Nippon in moderate Y9 to Y790, the market	ere inclined to ease dy active trading as reacted to Wednes-	to May were the worst for 10 years. BNS Wales rose 7 cents to A\$2.58 in firm Banks.
Anneuser-Bh 51 5039 Archer Daniels 1414 1413 Armeo 1839 1714	Dillor 8178 2218 Disney (Walt) 5758 5514 Dome Mines 658 578 Donnelly (RR) 4112 4012	NCO	Ocean Drill Exp. 1914 1716 Ogden 2012 2012 2012 Oglivy & Mrth. 3214 3314 Ohio Edison. 1258 1258 Olin 1934 1914 Omarks. 1414 14	Tandy 29 2814 Teledyna 10014 9814 Tektronix 5478 5554 Tenneco 2418 24	Some of its executives have arrested in the U.S. and che with conspiring to steal puter trade secrets from I	e been Y9 to Y308, harged After mostly adv. com morning, other Blu BM export-orientated i	ancing in the provisional the Chips and 0.8 per cents ssues ended 0.8 per cents	rise in March. The	Hong Kong The strong late finish on Wall Street overnight failed to stimu- late much interest in Hong Kong stocks yesterday. Initial modest
Armstrong CK	Dow Jones 4012 5914 Dresser 1918 1812 Dr. Pepper 1218 1114 Duke Power 21 205e Dun A Brad 6914 5816	iBM 611a 597g	Orieck	Texas Comm. Bk 3012 2978 Texas Comm. Bk 3012 2978 Texas Eastern 4814 4818 Texas Gas Tm 2512 2212	THE AMERICAN SE I Value Index improved 0 255.85 at 1 pm. Volume shares (2.88m).	.72 to Oils recouped for	rther ground effects of trend Nippon Street adva o Y894 and	the overnight Wall ace.	gains were partially eroused later in the session on lack of confidence and some book- sonaring before the long week-
Atlantic Rich 394 : 373; Auto-Data Prg 24 257; Avco 164; 151; Averyinti 24 24	EG & C	Intl.Income Prop. 914 93 Intl. Paper. 3514 5578 Int. Rectifier. 934 934 Int.Tel & Tel 2558 23 Irving Bank. 3612 3612 James (FS). 1958 1918	PHH Group	Texas instrints 875e 64 to Texas Oil & Gas 2714 251	Canada After Wednesday's strong on hopes regarding next day's Canadian Budget pro markets tended to rece	Many speculative g rally cluding Mining issu Mon-but Textiles and posals, mainly firmer	s shares, in- The stro ues, softened. Street and : Foods were provided the for Australi	ng rally on Wall i firmer Bullion price ne required impetus an markets to reverse	end. Markets are closed today for a local holiday. The Hang Seng Index, which picked up 11.91 in the first hour of trading, eased back to end
Avon Prod	Eastern Gas & F. 17% 17% 17% Eastman Kodak 78½ 70½ Eaton	Jeffn-Pilot 5414 2312 Jewel Cos. 2254 31 Jim Walter 19 1714 Johnson-Contr. 191e 191e Johnson & Jns. 393e 3814 Johnthan Logan. 141e 1318	Paim Beach	Tiger Intl	moderate early dealings day. The Toronto Con Index lost 7.1 at 1,412.7 at	yester- Germany aposite Bourse prices tell to the prices tell to th	week and aded to rally, recovery ne overnight However, nd an upturn shares wer	many Industrial e held in check by	just 5.07 firmer on the day at 1,279.62. Turnover remained very light, amounting to HK\$109.25m on the four
Sank of N.Y	Elect. Memories. 3/8 334 El Paso	Joy Mnf 217s 217s K. Mart 1859 181s Kaiser Alum 1212 1214 Kaiser Steel 194 1946	Peabody Intl	Timken 4978 4912 Tipperary 755 578 Tonka 1968 1978 Total Pet 958 918	Closing prices for America were not ava- for this edition.	North in the Bond mar ilable easier U.S. dollar. Steels led the r	bate and an fears that	to be released over	HKS100.06m recorded in the
Seker Inds 58 64 Beil & Howell 194 191: Beil Industries 151: 141: Bendix 471: 4578 Beneficial 18 1778	Enserch	Kanab Services 135s 131s Kaufman Brd 71s 71s Kay Corp 91s 81s Kellogg 251s 254s Kennametal 241s 241s	Peoples Energy	Trane	Stock June June 22	June 24 Price + or Frs. Petrolina	Jume 24 Price + or Fis. ACF Holding 79.5 +2.5		+ or June 24 Price + or + 0.1 Kubota
Flack & Decker, 1512 1512 Flock HR	Fabores 151s 185s	Kerr-McGee	Phila Elect	Tri Continental 184 18 Triton Energy 1214 12 Tyler	AMCA Inti	Royale Beige 5,110 -10 Soc. Gen. Banq. 2,255 Soc Gen Beige 1,195 +16 Sofina 1,920 +60 Traction Elect 9,475 +10	Ahoid 79.1 + 1.8 AKZO 24 + 0.3 ABN 281 + 3 AMEV 85.5 + 1.8 AMRO 49.6 + 1.2 Bredero Cert 164.5 - 0.5	Acrow Aust 1.30 Ampol Pet 1.50 Assoc Pulp Pap 1.50 Aust Cons. Ind 1.39 Aust Cours. Ind 1.39 Aust Guarant 2.17	Kumgaal 398 +4 Kyoto Ceramic 3,680 +40 Lion 366 +1 +0.84 Maeda Cons 510 -10 -0.02 Mactita 721 +2 -0.03 Marubeni 275 -9
Boeing	Feddera	Kroehler	Pitney-Bowes 51 ts 3036 Pittston 1538 14 ts Planning Res ch. 612 612 Plessey 7914 7812 Poigroid 1812 1676	UAL	Bk Montrea 1812 1814 Bk Nova Scotia 2154 31 Basic Resources 2.50 2.35	ViellieMont 2,985 -15 ViellieMont 2,080 +20	Boskalis Western 45.7 + 0.1	Aust Nat Inds. 2.55 Aust Paper 1,65 Bank NSW 2,58al Blue Metal 1,58	-0.05 Marudai 566 -4 +0.02 Maru 900 +4 +0.08 Matsushita 1,040 -20 M*ts Elec Works 500 + 3
Brockway Gloss: 143s 1312 Brown Forman B 355s 3114 Brown Gro 311s 3031	Fed. Dep. Stores 4514 4214 Fieldcrest Mi 2114 21 Firestone	Leaneway Trans. 27% 24 Leanox	Potiaten 21 4 21 4 21 5 Prentice Hall 25 24 4 Prector Gamble 83 8 85 4 Pub. Serv. E & G. 19 4 19 7 Pub. S. Indiana 22 12 22 12	Union Oil Cal 325g 321g Union Paolfic 351g 34 Uniroyal 81g 8 Unitd. Brands 73g 75g Unit. Energy Res. 291g 291g	Bow Valley	DENMARK June 24 Price + or	Gist-Brocades	Brville Copper 1.06 Brambles Inds 2.15 Bridge Oil 2.15 Bridge Oil 7.04 Brunswick Oil 0.14	+0.84 M*bishi Elect
Brunswick 2034 , 2034 ; 2034	1st Chicago 153; / 155; 1st City Bank Tex: 237s : 241s 1st Interstate 244; 241;	Levitz Furntr	Purex	US Fidelity G	Can like Fairview 61a 61a 61a 61a 61a 9 9 9 Can NW Energy 221a 21	Andelsbanken	KLM	GSR 2.62 Gariton & Utd 1.88 Gastlemaine Tye 5.50 Cluff Oil (Aust) 0.37 Do. Outs 0.37	+0.19 Mitsu-koshi
Burndy 10% 163; Burroughs 34 33 CBI Inds 35 35% CBS 343; 344; CPC Intl 344; 344;	1st Mississippi. 95g 87g 1st Not. Boston. 25 227g 1st Penn. 3 27g Fisons. 6 6 Fleatwood Ent. 161g 165g Flexi-van. 177g 171g	Loews	RCA 17 is 17 Raison Purina 15 is 15 is 15 is 18	US Surgical 2014 2014 US Tobacco 44 4378 US Trust 34 34 Utd. Technolgs 3738 36 Utd. Telecomms 17 17	Can Packers 294 295 Can Trusco 204 204 Can Imp Bank 184 1712 Cdn Pacific 1658 2658 Can P. Ent. 1378 1358 Can Tire 3312 3518	Danske Bank	Oce Grinten 101 +1 101	Cornalco 1.52	-0.92 Nippon Shinpan. 802 +12 Nippon Steel. 159
Campbell Red L 85a 8 55a 3 555a 3 555a 3 556a 3 556a 3 556a 3 556a 3 566a 3 566	Florida Pwr & L. 31'1 3144 Ford Motor 24'36 23'12 Foremost Mck 30 29'1	Lubrizol	Reeves Bros 691; 691; Reichhold Cham 105; 11 Republic Steel 171; 171; Rep of Texas 28 271;	Upjohn 4814 4134 VF. 4566 4254 Varian Assocs. 381s 3634 Vernitron. 93s 914	Chieftain	Jydske Bank	Rodamco	Endesvour Res. 0.14 Gen. Pro. Trust 1.50 Hartogen Energy 2.05 Hooker	Nisshin Flour 544 146 146
Carter Hawley 134 123s	Freeport MoM. 14:9 14:5a Fruehauf 20 1911 GAF. 1034 1014 GATX. 23 22:5g	Mac	Resort Intl A 19 1 19 18 19 18 19 19 19 19 19 19 19 19 19 19 19 19 19	Virginia EP	Costain	Provinspanken 117 17 183 17 183 18 18 18 18 18 18 1	Tokyo Pac Hg	Leonard Oil 0.10	Renown 716 +1 -0.0 Ricoh 473 -1 Sanyo Elect 415 -6
Certain-teed 11 107g	Gannet 32½ 317a Gelco 167g 161a Gen Am Invest 151g 145a Gen Cinema 40½ 394 Gen Dynamics 291g 2812 Gen Electric 53½ 62	Marine Mid	Rexnord 912 934 Rexnord 813 934 Reynolds R113 4514 4536 Reynolds Mtls. 1958 1914 RIte Aid. 3114 2912 Roadway Exps. 3354 3254 Robbins (AH). 12 1218 Rochester Gas. 1418 14 Rochester Gas. 1418 14 Rochester Gas. 1418 14 Rochester Gas. 1418 297	Warner-Lambt 2114 2018 Washington Post 3418 3334 Washington Post 3418 3334 Washe Mangt 2914 27 Wells Fargo 2018 2018 W. Point Peopl. 2334 2312	Dom Foundries 28½ 2854 2854 Dom Stores 14 14½ 14½ Domtar 1578 1578 1576 Falcon Nickel 3654 36 Genstar 12 12½ Gt. West Life 185 190	FRANCE June 24 Price + or	ITALY	Meeketharra Ms. 1.84 Meridian Oil	-0.18 Sekisui Prefab 585 5 -0.18 Sharp 802 14 +0.01 Sharp 834 +9 Sony 5,390 +10 Starley 335 +0.85 S'torso Marine 220 +1
Champ Sp Plug 77a 75s Charter Co Bis 6 Chase Manhatt'n 417s 4114	Gen Foods	Masco 31 kg 60 kg Massey Fergn 1 kg 1 kg Mass Multi,Corp. 17 kg 1 kg Mastel 16 kg 16 kg May Dept. Strs 27 kg 26 kg	Rohm & Hass 48 48 Rollins 134 134 Rollins 224 212	Western Alrilnes 61 ₉ 57 ₈ Wastn, Nth. Amr. 85 ₉ 81 ₉ Westinghouse 261 ₂ 251 ₄ Westvace	Gulf Ganada	Frs Emprunt 4½ 1975 1,712 +28 Emprunt 7½ 1975 5,229 +184 CNE 7½ 5,122 +21 Alr Liguide	June 24 Price + or Lire Azzicur Gen	Oakbridge	
Chesels Pond 525; 521, Chicago Pneum 1273 123; Chrysler 71; 673 Chubb	Gen Telep Elec 257g 265s Gen Tire	Maytag 27½ 27¼ McCulloch 9¾ 9½ McDermott JRL. 19 18½ McDonalds 71¼ 70¾	Royal Crown 101e 10 10 10 10 10 10	Wheelobratr F 27 : 26% Wheeling Pitts 131g : 131g Whiripool	Hudson Bay Mng 147s 144s Hudson's Bay 17 157s Husky OH 53, 55s Imasec 3734 3714 Imp Oil A 241s 2314 Inco 115s 113s	Aquitaine	Flat 1,685 —10 Finsider 31½ +14 Invest 2,309	Fioneer Co	+0.05 Tokio Marine 426 +1 +0.05 Tokio Marine 447 -1 +0.03 Tokyo Elect.Pwr. 820 -25 Tokyo Elect.Pwr. 109 +1 -0.92 Tokyo Sanyo 450 +5
CHARKEQUIDMENT SV . 1944 I	Genuine Parts. 3514 34 Georgia Pac. 1312 1512 Geoscurce. 4214 4114 Gerbea Prod. 2814 2818 Getty Oil. 51 4814 Giddings Lewis. 1258 1318	McDonnell Doug 3514; 3456 McGraw Edison 27 875 McGraw Hill 51 4934 McLean Trukg 1418 1356 Mead 1634; 1658 Media Geni 3579 2376	Ryder System	Whittaker	Indal	Carrefour	Pirelii Spa 1,22543 Snia Viscosa 65015	Spargos Expel 0.15 Thos. Natwide 1.80 Tooth 3,95 UMAL Cons 1.69	Tokyu Corp. 202 -1 Toshiba 506 -9 TOTO 408
Gleve Gliffs Iron. 18 ⁵ 2 19 ¹ 4 Clorox 13 ⁵ 3 13 ⁵ 8 Glueitt Peaby 17 ¹ 2 17 Goca Cola. 35 ⁵ 8 35 ⁵ 12 Colgate Palm 17 ¹ 9 17 ¹ 4 Collins Alkmen. 13 ⁵ 8 13 ⁵ 8	Gillette	Medtronic	St. Paul Cos 361 ₂ 36 St. Regis Paper 214 ₃ 205 ₄ Sante Fe Inds 147 ₈ 144 ₈ Saul Invest 7 7 Saxon Indus 7 Schering Plough: 291 ₈ 287 ₈	Woolworth	McIntyre Mines. 23 23 23 Mitel Corp. 217g 211g Moore Corp. 3434 35 Nat. Sea Prods A 554 534 Noranda Mines. 13 121g	Cofimeg 121.4 +0.4 Creusot Loire 75.5 -2.5 GFP 132.5 -2.5 DNEL 43.9 +0.5 Dumez 980 -50 GenOccidental 404 -8	Toro Assic	Waltons 0,75 Western Mining 3,02 Woodside Petrol 0,71 Woolworths 1,61 Wormald Intl 2,50	### ##################################
Cost inds 25.8 1 25.2		Merriii Lynch, 265g ; 247g	1 7 7 7	Zapata 164 153 Zenith Radio 113 113	Nthn. Telecom 4614 4614 4614 4614 1034 1034 1034 1235	imetal	NORWAY June 24 Price + or Kroner	HONG KONG	June 24 Price + or
NEW YORK	ndices DOW JONES Une June 1882 18 17 16 High Low	Since Cmpil't'n	June June June June	ne 1982	Placer Dev	Matra	Hergens Bank	Cheung Kong	+ or Boustead Bhd 1.85 - Cold Storage 3.64 + 0.92 DBS 2.70 - Praser & Neave 5.00 Haw Par 2.73 + 0.02 Incheape Bhd 1.96 - 0.02 Makey Banking 6,10
23 22 21 , e industr'is 815.17 795.66 789.95 7 H'me Bnds. 58.60 58.42 58.48	98.62.751.48.798.90; 882.52; 788.62 (4/1); 18/5)	1051,70 41,22 AUSTRALIA All Ord, 11-1/80; Metal & Minis.	24 : 23 22 2 464.9 : 458.2 : 459.3 462 (1 1:80) 519.5 208.8 509.5 310	.3 585.5 (4/1) 455,8 (19/5)	RO ASOM 273, 274, 274, 274, 274, 274, 274, 274, 274	Redoute	Sweden 185 +10	HK Electric 6.2 HK Kowloon Whi 4.62 HK Land 7.45 HK Shanghi Kk 11.2 HK Telephone 31.75	+0.12 OCBC 4.86 +0.05 +0.05 Sime Darby 5.50 -0.05 +0.25 Straits Trg 5.50 -0.05 +0.25 UBO 1.99 -0.01
Transport 516.78 307.78 505.73 8 Utilities 105.15 106.50 106.15 1 Trading Vol 62,710 56,220 50,870 5	05.01 308.35 310.78 488.46 383.75 (71) (21/6) (21/6) (06.70 107.08 108.48 115.55 105.51 (13/1)	163.52 10.5 (28,4:63) (28,4:42) BELGIUM Belgian SE (51)		.52 58.86 (4/1) 49.71 (24/6) .06 102.45 (5/4) 88.42 (20/1)	Teck B	Valeo	June 24 Price + ar Kroner	Jardine Math	+0.25 SOUTH AFRICA +0.05 June 24 Price + or +0.10 Price + or +0.10 Price + or
Day's high 815,85 low 795.76 Indust'l div. yield 3		ar ago (Approx(CAD General (E (1:1:73) 118.60 109.90 110.04 108 11:12:61, 94.9 109.1 100.7 (u -61:12:61, 109.4 109.8 111.2 111	1 111,6 (12/5) 95,8 (4/7)	Trans Can Pipe 1812 1712 1 rans Mittin. Olia 58; 64; Walker(H) Res 1612 16 Westoost Trans 12 121s Weston (Geo) 29 29	June 24 Price + or	Astra 415 +5 Atias Copco 109 169 Boliden 161 -5 Cellulosa 815 Electrolux 8 81.5 -0.5 Ericason 209 +1	Wheel KMariti'e 4.6 World Int. Hidgs 2.70	Abercom
STANDARD AND POORS June June June June J	une June 1982 ; 18 17 16 High Low	High Low HCLLAND	/12/58; 222.24 222.80 222.77 222 (Dec155) 677.8 678.7 581.2 678	.1 729.8 (5/4) 858.7 (18/T)		Paractification and and and	Essets(Free) 141	June 24 Price Yen Alinomote 832 Amada 520 Asahi Glass 480	+ or Control Spirits 29.5 +1 Course Finance 1.95 -3 De Beers 4.4 + 0.2 +5 Driefontain 22.75 +1.75
	107.28 107.60 108.87 122.74 107.20 14/11 121.61	140,52 4,407 128/11/80 (1/6/32 Hang Seng Bar ar agg (20070x)	rgi (1970) 87.9 87.3 87.5 87 µ: 1970) 88.5 67.8 67.8 67 nk (517764 1274.82 1274.65 1274.10 1288	, , , , , , , , , , , , , , , , , , , ,	AUSTRIA June 84 Price + or	Bayer-Verein	Sandvik Free 170	Bridgestone	-1 FS Geduid 19.8 Gold Fleids SA 47.5 +1.25 Highreid Steel 2,85 +0.65 Huletts 8,85 -0.05 +3 Kloof 27 -0.77 Nedbank 5.0
Indust'l div. yield \$ 5.9 Indust'l P.E ratio 7.6 Long Gov. Bond yield 13.4	7 5,96 5,79 5 7.66 7.56	(ITALY	157,70 181,43 183,55 160 (166,45) 7152,58 7154,83 7127,96 709 (4/1/66) 586,86 558,80 566,08 555	.11, 7926,55 (27/1) 6999,53 (17/2)	Creditanstalt 210 210 210 210 210 210 210 210 210 210	Daimler Benz	Volvo (Frae) 149 +14	Dalwa House	+1 Protea Hidge 2.1 +0.5 +10 Rembrant 8.4 +3 Remiss 3.9 +0.4 -15 Rust Plat 2.92 +0.42 -2 Sage Hidg 2.10
NY. S.E. ALL COMMON 1985	Rises and Fa June 25	June22 June21 Oslo SE 11/1/72	177.41 117.81 115.24 115	.56 150.89 (\$8;1) 109,12 (1;4)	Veitscher Mag 172 -6	Dresdner Bank 142 + 0.5 GKH	June 24 Price + or Free Price	Fujisawa 1,810 Fujitsu Fanuo 4,450 Green Cross. 2,100 Hasegawa 563 Hajwa Ri East 544	+50 Unisec
63.2662.2961.7361.74 71.20 (4/1)	61.73 Unchanged 401 121/8) New Highs 26 : New Lows 56	443 453 Gold (1998, 97 122 Industrial (1998)	(u) 547.8 546.7 ° 541	.1 569,5 (5/1) 541,1 (21/6) .2 711.7 (8/1) 569,5 (25/8)	BELGIUM/LUXEMBOURG	Kaufhof 172 +1	Alustisse	Hitachi Koki	+8 BRAZIL ————————————————————————————————————
33 · 3	une June June 22 21 16 High 55.92 249.68 252.82 682.78 (4.1) 42.55 257.27 258.88 516.98 (4.1) 254.61 156.7 1865.7 1865.7 1865.7 (4.1)	249.58 (21/6) SWEDEN Jacobson & P. 257,27 (21/6) SWITZERLAND	(1/1/66) 566.61 584.58 685.04 588	.85 658.52 (22/1) 5685,32 (29/4)	Frs. — ARBED 1128 +18	Krupp	12 12 12 13 14 15 15 15 15 15 15 15	Im-Yelcade	Sanco Brasil 15.50 -0.29
NEW YOU Wednesday Stocks Closing	ORK ACTIVE STOCKS Change on Stocks	Change Closing on	1/78) — 126,2 125,3 125 (as) Saturday June 19: Japan Do	.7 M7.2 (4/1) 225.7 (21/6)	G.B. inno	Schering 274 8 + 3	Oar-Buehrie 1,125 -20 Pireill	Kashiyama 900 Kikkomari 368	+7 Scuzz Cruz 10.65 —0.26 Uniper PB. 10.65 —0.18 Uniper PB. 10.65 —0.18 +50 Turnover: Cr.1.682.9m. Valume: 202.19m. +1 Source: Rio da Jäneiro SE.
Cines Service 1,815.500 551, Purolator 969.300 331, IBM 833.200 61, Santa Fe Inds. 822.000 147,	day traded	price day Base value	e of all footces are 100 except Au I Common—60; Standard and Po- seed on 1975. I Excluding bor to 40 Unitizes, 40 Pinemonals i	straffs All Ordinary and Metala—	Gevaert 1,755 +78 Hoboken 2,990 +10 Intercom 1,322 -6 Kredietbank 4,800 +100 Pan Hidgs 6,100	Schering	Swissair 688 +5	Konishroiku 690 NOTES Prices on Individual exchanges an suspended, ad & divid	this page are as quoted on the d are lest traded prices, s Destings and no Ex scrip issue, ar Ex rights,
	- 14730 FFLINI. 304, IV.			. 1		- vinewayana 142,2 +2,2	euron ma	REFEX SIL	



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SNSAPON

Contrasting trends develop as Gilts rally along with Golds but equities turn back after early firmness

Account Dealing Dates Option

First Declara- Last Account pealings tions Dealings Day
June 7 June 17 June 18 June 28
June 21 July 1 July 2 July 12
July 5 July 15 July 16 July 26
The New time dealing may take
place from 9 am two business days
gettless.

The main investment sectors adopted contrasting trends in London stock markets yester-day. Gilt-edged securities latched on to sterling, which staged another of its intermittent rallies against the dollar, and South African Gold shares, too, put on a better performance by sustaining a long-awaited revival after a better peravinance by sustain-ing a long-awaited revival after recent marked weakness. Lead-ing shares began promisingly, but turned back to chose lower on the day after another disappointing trade.

Wall Street again dominated investors' thoughts. The sharp rebound there evernight induced oderate institutional support and some Sizeable lines of slock were reported to have been placed in London equity markets. However, the absence of follow-through buying saw equities later turn nervous again despite the firmness in Government stocks.

This applied particularly to recently buoyant defence issues. Early gains were lost and re-placed by falls ranging to seven pence before a rally after the official close of business. The sensitivity was reflected in the ket, McCarthy and Stone, FT Industrial Ordinary share designers and builders of houses index. Up three points at 10 am, for the aged, met renewed sup-

Fixed Interest.....

Industrial Ord,.....

Gold Mines..

the index turned back by more than seven points to show a fall of 4.3 at 3 pm before recovering in the late trade to close 1.7 in the late trade to close 1.7 down on balance at 554.2.
Revived small demand in the wake of the steadier pound often triggered gains out of propor-tion to the amount of business in British Funds. The early rises all occurred among medium and coupon Treasury 5 per cent 1986-1989 rising a to a 1982 high of 681. The shorts closed only ! hetter, where changed despite casier credit conditions yesterday in UK money markets, The latest "hulldog" issue, New

Xealand 14! per cent 1987 was oversubstribed at application and details of allotment were awaited; dealings in the \$100m

issue begin this morning

Banks quiet

FINANCIAL TIMES STOCK INDICES

Earnings, Yid. %(full) 11.66 11.65; 11.71 11.75 11.68 11.65 11.70

P/E Ratio (net) (*) 10.42 10.44 10.38 10.35 10.41 10.45 10.67

Total bargains........ 13,001 13,568 14,125 15,605 15,731 14,869 19,536 Equity turnover £m - 113.92 130.08 101.65 137.05 118.75 136.39

Equity bargains...... - 10,572 11,525 11,005 15,076 12,050 17,926

10 cm 553.9. 11 am 556,4. Noon 553.9. 1 pm 552.0.

2 çm 552.0. 3 pm 5∋1.6.

Latest Index 01-246 8026.

1982 Since Compilation

62.79 | 150 4 | 50 63

High Low High Low

Fixed Int..... 70.57 62.79 | 150.4 50.55 | Eargains... | (146) | (7/1) | (28/11/47) | (5/175) | Value | 1460 | (7/1) | (28/11/47) | (5/175) | Value | 149.4 | 5-day Avrse... | (8/5) | (5/1) | (30.4 31) | (26.6.49) | (6/11 £dged Bargains... | (27/6) | (22/9/60) | (26.19/71) | Bargains... | (27/6) | (22/9/60) | (26.19/71) | Bargains... | Value | Value

* Ni =9.65.

61,89 127,4 49,18 Gilt Edged (5/1, (5/1,23) (8/1/78) Equities

1/7/35 Gold Mines 12/9/56 SE Activity 1974.

HIGHS AND LOWS

70.40

Basis 100 Govt. Secs. 16/1025. Fixed Int. 1928. Industrial Ord.

69.07 68.75 68.99 68.60 68.96 69.31 65.96

69.58 69.50 69.62 69.51 69.93 70.29 67.62

554.2 555.9 555.6 554.9 558.0 559.4 644.8

190,4 182,7 181,2 183,2 195,4 203,2 311,2

5.60 5.59 5.62 5.64 5.61 5.68 5.87

Midland Bank closed 4 cheaper at 328p following the company's move into the U.S. Commercial Paper market. The other major clearing banks stayed closed to overnight levels following a slow trade. Elsewhere, First National Finance reacted to 321p before closing 11 down on balance at 331p after comment on the interim results. Composite Insurances closed below the best. Sun Alliance touched 744p before settling a net 6 up at 740p, while General Accident reverted to the over-night level of 294p, after 298p; In the Unlisted Securities Mar-

600 550L 500 Shipping and Transport F.T. - ACTUARIES

port and gained 10 to 178p compared with the placing price of

Breweries and Distillers generhardened to 95 p following the chairman's confident remarks on

the outlook.

Contracting and Construction issues made progress in places despite the Royal Institute of Architects' conclusion that the outlook is bleak. Taylor Wood-row firmed 8 to 515p, white Barrati Developments closed a couple of pence dearer at 274p. after 276p. Redland stayed at 172p, the preliminary profits matching the forecast made at the time of the company's bid for Cawoods. Recently depressed William Leech railied 3 to 55p, while Whatlings added a penny creased interim profits. Second thoughts about the half-yearly results left Nottingham Brick 5

cheaper at 160p.
After opening a shade firmer on Wall Street influences, ICI drifted off to 308p before closing 2 cheaper on balance at 310p. On the other hand, Fisons met late support and put on 9 to

Bambers dip and rally Leading stores finished the day

with small irregular movements. BHS settled with a rise of a penny at 157p, after 153p, while House of Fraser closed a couple of pence firmer at 152p following yesterday's annual meeting. UDS, in contrast, eased 2 to 60p. Bambers encountered nervous selling and dropped to 15p before staging a good rally to close only 2 off on the day at 20p. Interest: in the Electrical leaders touded to fade after the previous day's flurry of activity following Racal's preliminary results. Racal improved afresh to 457p before closing unaltered at 450p, but Ferranti turned reactionary at 730p, down 15, fol-lowing news of the agreement in principle to acquire the assets of Ocean Research Equipment Inc. ORE rose 30 to 220p. GEC slightly firmer bias. Helped by fluctuated narrowly before settlfluctuated narrowly before settling at 950p, up 5, but Thorn EMI

eased that amount to a low for the year of 403p. Cable and Wireless reacted 7 to 280p and United Scientific 5 to 360p. On ally closed a shade lower, where the other hand, buyers showed changed. but Allied-Lyons interest in Chloride, 3 to the interest in Chloride, 3 to the good at 24p.

Leading engineers were usually a shade easier at the close. Vickers continued to reflect the production cut-back Rolls-Royce and eased 4 more to 133p. Baker Perkins, in contrast, responded to better-thanresponded to better-than-expected preliminary results with a rise of 6 to 107p, after 110p. GM Firth rallied 8 to 148p while F. H. Lloyd closed 4 up at 311p, the latter following the results. Ductile firmed 3 to 141p following news that the bid from Glynwed is not to be referred to the Monopolies Commission; Glynwed eased 2 to 99p. British Aluminium remained on offer at 43p, down 2, but Renold firmed 14 to 394p

on the recovery in annual profits. British Sugar attracted fresh speculative buying on hopes that S. and W. Berisford will launch another bid for the company and touched 485p before closing a net 10 up at 480p. Elsewhere in Foods, small buying in a restricted marked lifted G. F.

Although the interim profits caused some disappointment, Trusthouse Forte, 4 cheaper awaiting the announcement, rallied on the chairman's encouraging statement to close unchanged on balance at 119p. Savoy A also put on 4, to 220p, and the B a point to £22 on hopes that Trusthouse Forte will make another bid for the com-

Bowater above worst

Bowater became an unsettled recent Press suggestion that the company is expected to announce newsprint machines at Sittingbourne, Kent. After fluctuating narrowly, other leading miscel-laneous industrials closed on a at 156p for a rise of 4. Glaxo ended similarly better at 695p, but Boots, down to 205p at one stage. finished 3 lower on balance at 207p. Elsewhere, United Gas responded to good annual results with a rise of 7 to 90p, while the increased dividend and annual profits left Scapa Group 4 up at 139p. Recovery hopes were als unchanged at 175p; the 4 up at 138p. Recovery hopes outweighed poor results from Sangers which closed without

changers which closed without alteration at 36p, after 33p. Change Wares remained a sensitive market, but closed 21p up at 10p after 6p, following the previous day's statement about further substantial losses and discussions regarding an important acquisition. Among the dull spots, De La Rue reacted 20 to higher at \$307.5. Share prices

Components, Lucas gave up 3 to firmness in overnight American 175p. Kwik-Fit, also down 3, markets, but follow-through equalted the 1983 low of 43p. interest in London was thin and, Healys held at 88p ahead of next despite some late support from Monday's interim statement, while Frank G. Gates improved

3 to 61p. In Paper/Printings, Allied Industrial Designers improved 2 to a 1982 high of 35p in further reflection of the recent interim Bemrose remained statement. statement. Bemiuse remained \$559, and Briefontein, \$459, adunchinged at 128p on the bid vanced 80 apiece. Randfontein situation, with Bunzl and BPCC hardened \$\frac{1}{2}\$ to \$\frac{1}{2}0\frac{1}{2}\$ despite anboth holding steady at 163p and nouncing a slightly disappointing 34p respectively. Haynes, 8 up interim dividend of 300 cents at 138p, provided a firm spot in per share. Publishing issues, in which Routledge and Kegan Paul stayed at 285p; the price of the latter in yesterday's issue was in error owing to transposed figures. Among Advertisings, Saatchi and Saatchi put on 10 to 390p.

Properties displayed a firm feature in Trust Securities, which jumped 11 to 78p, after 80p, on talk that the proposed Stockley Park project in Hillingdon had been given the go-ahead; the Deferred Convertible also put on 11, to 75p. Estates and Agency gained 3 to 137p on the return to residuality. profitability, but Lynton shed 8 to a 1982 low of 194p following the annual report. Westminster Property met revived speculative interest and added 2 to 29p, but Brixton Estate again lacked sup-port and shed that much, to a low for the year of 96p. Hong-kong Land hardened a penny to 73p; the company has sold three residential properties for £97m.

Oil shares made a steadier showing, quotations fluctuating within narrow limits and closing a shade dearer on the day. British Petroleum ended 2 better at 30p and Shell similarly dearer

Shippings were rarely altered. Elsewhere, Mersey Docks improved 21 to 221p following the chairman's statement at the annual meeting. Nottingham

to close 2 cheaper on balance at June 28 July 9 Sept 30 Oct 11 market and closed 4 down at 176p. Elsewhere in the Textile. For rate indications see end of 199p, after 196p, following a sector, dealings in YYorkshire recent Press suggestion that the Fine Woollen Spinners were suspended at 21p ahead of the f the acquisition of Sykes Booth for around £0.66m by a mixture of cash and YF

ordinary and preference shares. Imperial Gruop tuched a 1982 No puts were reported, but peak of 1012p before closing a double options were arrnged in favourable Press comment. Metal penny dearer on balance at 100 p First National Finance, UDS Box touched 158p before settling on optimism about the half- and Trident TV.

were als unchanged at 175p; the pricoe in yesterday's issue was

Golds gain ground

Share prices were marked In little-changed Motors and higher at the outset following Continental sources, an easier tone became evident towards the

> Heavyweights finished with gains to a point as in Hartebeest, £17½. President Steyn rose ‡ 10 £10½, while Free State Geduld 963p, and Driefontein, 948p, ad-

> Marginals also improved across a broad front with Deelkraal 11 higher at 115p and South African Land 8 better at 101p. West Rand Consolidated, depressed recently by the projected withdrawal to State aid from next year, rallied 8 t 60p, possibly reflecting the company's

break-up potential. Technical influences in over night Sydney and Melbourne markets el dto a firmer trend in Australians. CRA, 160p, and MIM, 157p. both added 6, while Renison rose 10 to 135p and Seltrust A 3 to 33p.

The firmer metal price benefit-ted Gld Mines of Kalgorile, 10 up at 170p, and Poseldn, 7 higher at

Traded Options attracted 1,380 deals, slightly above the previous day's total although business remained selective. Calls totalled 879 with Racal recording 276, trade still buoyed by the excellent preliminary results and statement. Imperial, interim figures expected shortly, attracted 266 calls, 115 in the August 90's, and 100 in the August 100's.

OPTIONS

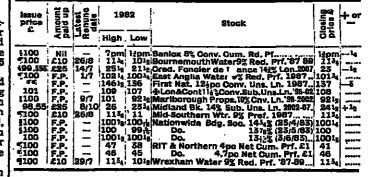
Deal-Deal- Declara- Settletion Nottingham Manufacturing May 24 June 11 Sept 2 Sept 13 touched 180p before drifting off June 14 June 25 Sept 16 Sept 27

Money was given for the call of Scottish Heritable, Guinness Huntley and Palmer, Charterhall and First National Finance

RECENT ISSUES

	EQUITIES										
issue price p	Amount paid up	Ronung, Date		82 Low	Stock	Gtosing Price	 +_er	Divi p. or amount	Times	BloiY	P.E.
\$90 15 1250 \$578 \$30 \$8712p 	F.P. F.P. F.P. F.P. F.P. F.P.	30/7 25/6 15 4 4/6 28/5 25/6 	59 163 98 17 178 121	160 19	Argyil Foods Warr'ts. Assoc. Heet Services Sairstow Eves 5p. #Black(Michael) 80p. #Black(Michael) 80p. #Black(Michael) 80p. #Dencont. Microwave. #Druck Nidgs. Electro-Prot. USSI,50. "Group Inv Option #Microwave #Microwav	265 52 92 420 65 163 178 178 112 610 88 186	+ 10 + 10	59.0 b1.61 u3.0 b5.25 u2.3 u21.5 b5.75 u42.0 b5.75 u42.0 b5.8 b5.8	2.4 5.9 2.5 8.9 2.7 4.5 2.7	4.7 1.8 1.9 4.9 4.9	12.7 15.6 28.3 12.6 16.1 9.7 9.8 18.3

FIXED INTEREST STOCKS



"RIGHTS" OFFERS

issue price	뎙	Repunc.		1982		Stock	Olosin Price P	+ 01
P	55	•	*	High	Low		ğ	
10 166 170 135 174	Nil F.P. F.P.	28/5	8:5 4:8 9:7 0:7	153 ₄ 22pm 190 180 233	18pm 180 158	Ansbacher (H.) 5p	p22m 185 160	
Kr.150 50 325 215 10 25	F.P. F.P. Nii F.P.	17/6 3 5/7 1 24/3 2	 3/8 0/7 3/8 3/4 0/6	£5 pm 58 445 40pm 121 ₂ 241 ₂	52 380 28pm 91 ₉	Great Northern Tel (£10) Press (Wm.) 10p Saatchi & Saatchi 10p Sketchiey Sturia 10p Young (H.)	52	+1

Renunciation data usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital: cover based on dividend on full capital. g Assumed dividend and yield. I indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous para's earnings. F Dividend and yield based on prospectus or other official estimates for 1982. Q Grass. T Figures assumed. 9 Figures or report awaited. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise indicated. I issued dividends. § Reintroduced. I issued for convection with reorganisation, merger or take-over. []] Introduction. ☐ Issued to former preference holders. Mallotment letters (or fully-paid). 9 Provisional or partly-paid allotment letters. With warrants. †† Dealings under special Rule. & Unlisted Securities Market. ‡ London Listing. † Effective Issue price after scrip. † Formerly dealt in under Rule 163(2)(a). †† Unit comprising five ordinary and three Cop. shares. A Issued free as an entitlement to ordinary holders.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday,

	Closing price	Day's		Closing price	Day's
Stock	pence	Change	Stock		change
Baker Perkins	107	+ 6	House of Fraser	152	+ 2
Sambers	20	– 2	Imperial Group	100%	Ŧ 1
British Sugar	480	+10	Polly Pack	347	. + 5
Chubb	114	+ 4	Racal Electronic	450	_
le Beers Deferred	· 186	+10	Trusthouse Forte	119	_
SEC	950	+ 5	Trust Secs	79	}+ 11

WEDNESDAY'S ACTIVE STOCKS

Based on bergains recorded in S.E. Official List

	W	ednesda	y's		Wednesday'≥			
	No. of	closina	-		No. of	closing	-	
	price	price	Day's		price	price	Day's	
Stock ·	changes	pence	change	Stock	changes	pence	change	
GEC	21	945	+20	Brit Aerospace		224	+ 7	
Brntt & Himshi	16	870	+35	BP	10	298	- 6	
Racal Elec	. 16	450	+22	Cable & Wire	10	287	7-12	
Ferranti	. 15	745	+20	Glaxo	10	690	+ 2	
Plessey	40	470	+18	BAT Inda	9	440	- 5	
RTZ	11	354	- 4	ICI	9	312	-	
Tridant TV 'A'	11	751	+ 54-	Shell Trans		396	4	

FT-ACTUARIES SHARE INDICES

S.E. ACTIVITY

140.8: 143.4

230,3 262,9

145.5 149.1

76.3

75.2

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS	.1	har J	4 198	2	Wed June 23	Toes Jume 22	e- l June	June 18	(abbrar) age Ages	٠.	
& SUB-SECTIONS Figures in parentheses show our stocks per section	- 1	Day's Ctsange %	Est. Exercitorys Vield % (Max.)	Gross Dhr. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	ladex No.	Index No.	isulex No.	Index No.	isdex. No.	
I CAPITAL G000S (209)	395.77		9.46	427	13.86	385.30	300.6			363.28	
Puliting Materials (23)			12.15	5.55	9.92	324.91	322.4			308.74 -552.53	
3 Contracting, Construction (28)	594.55	+0.4	35.61	528	7.85	582.14 1466.94	579.5 1434.3			1067.00	
4 Electricals (31)	24 69 .83		6.74	2.07 6.34	18.79 8.97	475.98	476.7			46.48	٠.
5 Engineering Contractors (11).	476.95 197.22	-0.2	11.64	5.93	10.37	197.55	1964		195.39	212.95	
6 Mechanical Engineering (67)		-0.4	12.01	8.08	10.41	149.72	1504			161.65	
8 Metals and Metal Forming CLL	88.38		195	202	<u> </u>	88.70	88.9		19.17	101.45	•
9 Motors (20) 10 Other Industrial Materials (18)			18.33	6.08	11.88	351.07	350.2	1 34L69	351.91	376,38	
21 CONSINER CROUP (201)		-8.3	13.10	5.79	9.25	302.48	3023		305.61	282,82	
22 Brewers and Distillers (22)	318.23	-85	14.62	6.41	8.35	319.97	320.7		321.66	320.54	
25 Food Manufacturing (22)	258.63	+0.3	18.03	7.27	6,46	257.96	257.5			27.56	
26 Food Retailing (74)	605.56	-8.2	9.26	3.69.	13.20	607.00	665.80		630.45	523.21	
27 Health and Household Products	(8) 453.11	+0.3	7.66	3.76	15.40	451,80	45U.M		451.63	330.22	:
☐ '29 Laisure (23)	4JA <i>Z</i> Z	-6.5	10.72	559	11.67	416.39	415.7		420.19 519.72	426.16 584.75	•
Newspapers, Publishing (13)	518.98	-0.7	13.34	633	9.43	54.42	551		143.64	148.71	
33 Packaging and Paper (14)	140.37		16.62	7.80	6.99	140.03	149.F		27511	267.48	
34 Stores (45)	273.75		19.61	5.69	12.48	275.59 162.67	142.0			125.	
35 Textiles (23)	162.93	+0.1	14.01	6.58 8.14	-8.71 5.22	333.65	120	. ,	331.19	26.57	٠.
36 Tobaccos (3)	338.06	+15	27.59	5.81	31.25	265.97	268.4		273.09	361.58	
39 Other Consumer (14)	267.64	+0.6	6.35 13.78	6.63	8.83	251.92	258.2	,	254.12	228.27	
41 OTHER GROUPS (77)	250.94 333.94	-83	13.79	6.97	8.70	334.81	394.85		337,75	261.65	
42 Chemicals (16)	193.26		15.75	8.45	7.80	1835	165.35	183.57	186,90	116.25	c
44 Office Equatoment (4)	552.72	+0.1	19.91	7.45	630	924	56.0	511.68	50.63	533.38	
45 Shipping and Transport (13)	324.27	-8.7	11.59	5.51	10.50	326.55	322.25	313.49	.325.10	297.06	
46 Miscellageous (44)	373.50	-0.3	11.80	533	3A 32	323.71	321.85	31928	32336	25.99	
49 INDUSTRIAL GROUP (487)	706.94		22.35	8.22	5.07	702.30	714.00	71132	7123	708.5%	٠.
51. Offic (23)			13.47	579	8.87	354.66	353.75	351.20	354.77	329.41	
59. 500 SHARE INDEX	354.75	=		7.03		201.83	243.09		244.53	257.32	
61 FINANCIAL GROUP (117)	240.99 263.05	-81	39.56	8.65	2.77	263.24	257.3		267.50	252.52	
* 62 Baris(6)	222.98	+0.3		10.23		222.32	223.77		25.92	200.69	
63 Discount Houses (9)	244.22	+0.3	_ :	6.92		23.55	266.16		25.65	261.05	
= 65 Insurance (Life) (9)		+0.4	ł., –	951	_	148.26	150.42		15235	-146.44	
	872.44	-82	11.44	527	11.96	495.28	493.45		487.04	385.24	•
67 Insurance Brokers (7)		+0.1	-	6.45		136.05	135.99		139.37	164.72	
	406.28	-0.A	5.54	3.96	24.09	497.93	480.92		41213	47125	
70 Other Financial (3.5)	163.91		28:59	6.99	6.19	143.86	163.77		26.76	278.86	
71 Investment Trusts (111)	288.64	-0.3	_	5.67		Z2946	208.15		290.16	309.08	
81 Mising Florance (4)	178.19	+1.4	17.78	7.97	7.85	175.65	176.76		174.34 301.03	299.86 452.83	
2. 91 Overseas Traders (18)	334.14	-0.2	35.34	9.58	8.01	334.70	333.9				
99 ALL-SHARE INDEX (750)	323.55	-	-	6.08	- 1	323.47	552	320.52	32427	الحاد	
FIXED IN			GE GRO	SS YTELDS		Thur June 24	Wed June 23	(approx.) Sgo			

ing is	XED	INTE	REST	•		AVERAGE GROSS Ther June June 24 2	
PRICE INDICES	Thur June 24	Dey's change %	Wed Jame 23	zci acij. today	nd ad 1982 19 date	2 Compans 15 years 12.63 12 3 25 years 12.86 12	22 1241 73 1239 95 1295
1 Syears 2 5-15 years 3 Over 15 years	111.95 119.95 113.89	+0.06 +0.54 +0.55	111.86 119.33 113.27	- -	5.90 6.91 7.44	5 Compons 15 years 13.01 19 6 25 years 13.25 13 7 High 5 years 13.01 19 8 Compons 15 years 13.99 14 9 25 years 13.99 13	66 14.99 A9 14.59
4 Irretembles 5 All Stocks All St	11831 11191	+0.82 +0.49 -0.12	117.35	<u>-</u>	630 679 556	10 kredennties 7 12-51 12 11 Deis & Louis 5 years 14.00 14 15 years 14.59 14	77 - 15.52 #4 15.52
7 Preference.	65.80		65.86			25 years	

iges are published in Saturday issues. A new list of co.

NEW·HIGHS AND LOWS FOR 1982

NEW HIGHS (18) Exch. 9 lapt 1982 Tree. Spc 1987
Tree. Spc 1986-89
Enril Mohre AMERICANS (1) ELECTRICALS (3) FOODS (1) NEWSPAPERS (1) Gelyn Pi SHIPPING (1) Morsey Dock Units TEAS (1)

NEW LOWS (65) AMERICANS (5)
City Inv. Rep. N.Y. Corp.
Crown-Zellerbach Rexnord frank of Scotland Kleiner Deutsche Bank Londor Greenall Whitley BUILDINGS (2) CHEMICALS (2) Bayer AG

PROPERTY (9)
Estate Prop. Sec. In
Samuel Conv
(A. & J.) Stock Conve
Town & Cib SHOES (1) TOBACCOS (1)

RISES AND FALLS

GIII 6 DURUS MITCHEI COTS RUBBERS (2) Malakof

British Funds Corpns, Dom. and Foreign Bonds... Industrials

483 377 1,603

WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

COUNTRY	CURRENCY	VALUE OF DOLLAR	COUNTRY	CURRENCY	VALUE OF DOLLAR	COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan	Afghani (O)	68.25	Guedaloups	Franc	6,90	Pitcairn Is	N.Z. Dollar	1,351
	Lak	5,8592	Guatemala	, U.S. \$	1.00	Poland	Zloty (O)	BO.00
Algeria	Dinar Fr France	4,54	Guinea Bissau	Page	40,4754	Portugal	Escudo (7)	83,875
Andorra	So. Peseta	6.90 . 112.125	Guinea Rep	. Syli	22,7079	Poland Portugal Port Timor Puerto Rico	ESCUDO	1.00
Angola	Kwanza	30,214	Guyana	Dollar	2,9986	Coto-	(W.Q. 0)	
AntiguaArgentina	E. Caribbean \$	2.7025	Haiti	Gourde	1 5.00	Qater		3.6397
Argentina	Peso (f) (2)	15275.	Honouras Rep	Lempira	2.00	Reunion lie de la	Fr. Franc	6.90
Australia	Postar Rehilling	0,9797	Hong Kong	Dollar	5,943 35,62	Romania Rwanda	Leu (O)	4.47 92.54
Austria	Port. Escudo	85,875			-	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		1 22,07
Behamas	Dollar	1.00	losiand	Krona Bunee	11,12 9,5694	St. Christopher	E. Caribbean #	2,7025
Bahrain	Dinar Da Bassia	0,377 112,125	Indonesia	Rupish	654.25	St. Helena,	Pound*	1.7238
Balearic Is Bangladesh	op. resign Taka	22,145	iran	Rial (O)	81.09	St. Lucia	E. Canbbean #	2,7025 5.90
Barbados	Dollar	2.01	L (1780	Dinar	0,2953 1,3848	St. Vincent	E. Caribbean S	2,7025
Beigium	Franc (C)	47.575	Irish Rep	Punt'	23.875	Samoz (Western)	Tala	0.817
Beilze	Franc (F)	52,36	Helu	Liza	1400.00	Samoa (Am.)	U.S. \$	1,00
Benin	Dollar C.F.A. Franc	2,00 345,00	Ivory Coast	C.F.A. Franc	345,00	San Marino	IL LINE	1400,00
Bermuda,	Dollar	1.00	Jemeice	Dollar ·	1,7835	Sao Tome &		1 .
Bhutan	ind, Rupes	9,5694	Japan	Yen	255,525	Principe DR	Dobra	41.6253
Bolivia.,	Peso	44,00			0,3459	Samui Vladia """"	KIYAJI -	3,4315 345,00
Brazil	ruia Ontreim	1,0918 169,505	Kampuchea	Riel	n.a.	Sevenelies	C.F.A. Franc	7.6533
Brunei	Dollar	2,166	Kenva	Shilling	10,9846 0,9797	Sierra Leone	Leone	1.2574
Bulgaria	LAY	2,166 0,942	Kiribati	AUST DOUBL	0.94	SINGEDOPA.	Dollar	2,165
· Burma	Kyat	6,4516	Korea (Sth)	Won	740.50	Solomon is Somali Rep	Dollar	0.9352
Burundi		90.00	Kuwait	Dinar	0,2873	волиш кер	Shilling Shilling	6.35 12.46
Cameroun Rp	i,F.A, Fr an d Notice	345,00 1,3025	Lao P'pis D. Rep		10.50	South Africa	Rand	1.1455
Canary Is	Poseta	112,125	Labarron	Pound	5,25	Spain	Poseta.	112,125
Cape Verde is I	Escudo	54.70	Lauctho	LOU	1,1455	Coon Barta In N		,
Cayman is	Collar	0,835	Uberia	Dollar	1.00 0.2961	Span. Ports in N.	Sp. Pesetz	112,125
Chad	Ar.A. Franc	345.00 345.00	Libya	Sw. Franc	2,1193	Sri Lenka	Rupee	20,78
ChadC	Peso (O) (5)	46.18	Luxembourg	Lux Franc	47,875	Sudan Rep	Pound* (1)	1.1111
China	Renminbi Yuan	1,9428			6.1777	Surinam	Gunger Lilenseel	1.786 1.1455
Colombia	Peso (O)	63,68	Macao	Franc	382,00	Sweden	Krone	6.1485
Comores	FA FRA	345,00 345,00	Madeira	Port. Fecudo	83,875 1,1031	Sweiten	Franc	2,1193
Congor premeptor	Colon (O)	8.60	Majawi	Kwacha (3) Pingoli	2.369	Syria	Pound	3,925
Costa filoa	Colon	38,09	Maldive Is.	Ruflysa (O)	3,93	Taiwan	Dollar (C)	i 38.95
.Cuba	Peso .	0,8281 2,0566	MAIGIVE IS	Rufiyaa (M)	7.55	1 1 1 1 2 2 1 1 1 2	Shilling	9,4269
Cyprus,	Commun (C)	6.00	Mali Rp	Franc	690,00 2.3842	I NAULENCE	Roht	28,00
		8,5863	Martinique	Franc	6.90	Togo Rep.	C.F.A. Franc	845,00 . 0,9797
Denmark	rome . Franc	r 177,72	Mauritania	Outuiva ·	61 20			2,409
Dominica	E Caribbean S	2,7025	Mauritius	Kupee	10,25	Tunisia	Dinar	0.5935
Domin. Reg 9	· Page	1.00	Mexico	Peso	47.835 6.90	Tunisia — Tonago Turke & Calcos —	Lira (8)	162.90
Ecuador	SUCCE (C) (4)	33,00 52,30	Miquelon Monago	Fr. Franc	00.0	Tuyalu	U,&. \$ Aust Dolles	1.00 0.9797
	Pound ^a (0)	1.4285	Mongolia	Tugrik (O)	3,3555			1 0.5121
Egypt	ound (1)	1.2151 1	Mongolia Montserrat Morocco Mozambique	E. Caribbean \$	2,7025	Uganda Utd. A'b. Emir.	Shiiling	95,002
El Salvador	20lon	2.50	Morocco	Diritam Metice	6,2044 30,456	utd. A'b. Emir.	Dirham	3,6728
.Ethiopia F	Ver (O)	224,25 2,0594				Upper Volta	Pound Sterling*	1,7238 345.00
Faeroe Is	San. Krone	8.5863	Namible	S.A. Rand	1.1455	Uruguay	Pago	12,4305
Falkland Is F	-cuna-	1,7238	Nauru Is Nepal	AUST, DOUBL	0.9797 13.20	Uruguay	Rouble	0.725
Fiji	olar .	0,9346	Netherlands	Rupos Guider	2.7365			111.515
Finland	MATRICKE CORRE	4.767 6.90	Neth. Ant'les	Guilder	1,80	Yanuatu		0.9797
Er C'huin A/ C	F A France	345.00	New Zealand	Dollar	1,351	Vatican	Lira	1400.00
Fr. Guiana F Fr. Pac. is C Gabon	ranc	- 6,90	Nicerague	CONTROLS	10.05 345.00	VaticanVanozuela	Bolivar	4.2938
Fr. Pac. is C	F.P. Franc	113,122 345,00			0.6787	Vietnam Virgin Is. Br	Dong (O)	2.18 1.00
Gambia	ura rang Jalasi	2,3805	Norway	Krone	6.3035	Virgin Is. U.S.	u.s. <i>p</i> II.s. 2	1.00
Germany (E) 0	stmark (0)	2.487B	Oman,Sultanate of	Rial	0,3456			
Germany (W)	lark .	2.4878	Pakistan	Rupee	12,1778	Yemen PDR	Rial	4.5605 0,3453
Ghans	edi	2.75	Panama	Baiboa	1.00	Yemen PDR	Diner Diner	47,1724
GibraltarP	ouns (8)	1.7238 69.90	Papua N.G	AIRR Gueceni	0.7401 126.00	Secretary Hamilton	y(= 1	•
Greenland.	lan. Krone	8,5863	Peru	ggaraus Sol	864,37	Zaire Rp	Zelfe Kwacha	5.8408 0.9422
Grenada E	Caribbean \$	2.7025	Philippines	Peso		Zimbabwa	nwauisa Boliar	0.7576
				<u> </u>				

of rate. * U.S. dollars per National Currency unit. (p) Official rate. (t) Commercial rate. (f) Financial rate. (1) Egypt Egypt for Important, Exportant, Tourists. (2) Argentins—devalued by approx. 17 per cent 5/6/82, (3) Melawi—devalued ant, 14/5/82. (5) Chile—devalued 14/6/82, to be adjusted downwards by 0.8 per cent monthly for the next 12 months. (12. (7) Portugal—devalued by 9.5 per cent. 15/8/82. (8) Turkey—devalued 14/8/82.

Late rise by dollar

THE DOLLAR rose in the U.S. 5.3 per cent (5.0 per cent after European foreign exchange previous month) — The D-mark centres had finished trading yesterday. Earlier in the day and Swiss franc at the Frankfurt the U.S. currency drifted down despite a firming of Eurodollar interest rates. Demand for the dollar in Chicago petered out by mid-afternoon, but the U.S. unit suddenly found renewed strength suddenly found renewed strength as hie Europeans withdrew from

the market.

Sterling was little changed overall, gaining ground slightly against the dollar at the London

Strong demand for the Canadian dollar was seen at various times

against 121.3 on Wednesday, and 107.7 six months ago. Three-month Treasury bills 12.74 per cent (11.275 per cent six months ago). Annual inflation rate 6.7 per cent (6.6 per cent previous month) — The franc showed mixed changes at the DM 2.4655 from DM 2.4750 against the D-mark; to FFr 6.8450 from FFr 6.8750 against the French franc; to SwFr 2.10 from SwFr 2.1140 in terms of the Swiss franc; and to Y254.60 from Y255.60 against the Japanese yen. STERLING — Trade-weighted STERLING — Trade-weighted index 91.4, against 91.1 at noon, 91.0 in the morning, 91.3 at the previous close, and 90.6 six months ago. Three-month inter-

Belgian Franc ... Danish Krone ... German D-Mark Franch Franc ... Dutch Guilder ...

EMS EUROPEAN CURRENCY UNIT RATES

8.15707 2.36257 6.55448

2.61045 0.686521

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

from centra rate

currency down to DM 2.4545 in the morning, before the fixing of DM 2.4620, compared with DM 2.4860 on Wednesday. The French franc rose to DM 36.07 per 100 francs from DM 46.04, compared with an upper inter-

vention point of DM 36.09. FRENCH FRANC - EMS member (third strongest) Tradeduring the day.

DOLLAR — Trade • weighted index was unchanged index (Bank of England) 120.4 against 121.3 on Wednesday, and against 121.3 on Wednesday, and per cent (15% per cent six months ago). Annual inflation FFr 2.7748 from FFr 2.7743, but the Dutch guilder cased to FFr 2.5122 from FFr 2.5218. Among other currencies, the Swiss franc rose to FFr 3.2670 from FFr 3.2575.

months ago. Three-month interbank 13; per cent (16 per cent six months ago). Annual inflation 9.5 per cent (9.4 per cent previous month)—Sterling feli to a low of \$1.7340.1.7350 in the morning, and touched a peak of \$1.7440.1.7450 in the afterneon, before closing at \$1.7360-1.7370, a rise of 45 points on the day. The pound eased to DM 4.2850 from DM 4.29; to SwFr 3.6475 from SwFr 3.6825; and to Y442.50 from Y443.

D-MARK — EMS member (weakest). Trade-weighted index 1250.0 against 124.8 on Wednesday, and 121.8 six months ago in the early morning, and Y252.90 in the early morning, and Y254.25 in the afternoon. The Bank of Japan intervened against to support the yen, seeling a small amount of dollars in the morning.

THE POUND SPOT AND FORWARD

June 24	Day's spread	Close	One month	P-8,	Three months .	% p.a
U.S.	1.7340-1.7450	1.7380-1.7370	0.35-0.45c dis	- 2.76	1.38-1.48dis	-3.2
Canada	2.2125-2.2310	2.2290-2.2310	0.73-0.88c dis	-4.47	2.60-2.70dis	-4.7
Nethind.	4.69-4.75	4.724-4.73%	1%-1%c pm	4.12	43-45 pm	3.8
Belgium	81.25-81.90	81,40-81,50	17-27c dis	3.24	77-87 dis	-4.0
Denmark	14.72-14.82	14.775-14.785	21-31 ore dis	-2.18	97:-117: dis	-2.8
Ireland	1.2380-1.2470	1,2450-1,2460	0.65-0.77p dis	-6.84	2.04-2.22djs	-6.8
W. Ger	4.26-4.2912	4.28-4.29*	15-15pt pm	3.85	41-31 pm	3,7
Portuga!	143.50-145,50	144.75-146.25	90-265c dis	-14.27		-12.4
Spain	192,75-194,25	193,00-193,20	160-185c dis			-10.8
Italy	2,404-2,416	2,408-2,410	13-18 lire dia		48-52 dis	-8.3
Norway	10.85-10.90	10.86-10.87	21-31-ore dia		8\4-9\4 dla	-3.2
France	11.83-11.91	11.28-11.89	21, 41,c dia		12-15 dis	-4.5
Sweden	10.58-10.63	10.59-10.60	21-27-ore dis		54-6 dis	-2.7
Japan	438-445	442-443	2.10-1.80y pm		6.05-5.75 pm	
Austria	30.05-30.25	30.10-30.15	13-9gro pm	4.38	49-37 pm	5.7
Quein.	2 62 2 66	2 641. 2 661.	2117.e pm	. 6 00	G1_ G7	4 7

Belgien rate is for convertible francs. Financial franc 88.95-89.05. Six-month forward dellar 2.87-2.97c dis. 12-month 4.85-5.00c dis. * The closing rate for June 23 should have read 4.28 2-4.29 2

THE DOLLAR SPOT AND FORWARD

June 24	Day's spread	Close	One month	% P-a.	Three months	% p.a.
UK†	1.7340-1.7450	1.7360-1,7370	0.35-0.45c dls	-2.76	1.38-1.48dis	~3.29
relandt	1.3950-1.4005	1.3950-1.3970	0.52-0.44c pm		1.30-1.15 pm	
Canada	1.2740-1.2850	1.2840-1,2850	0.17-0.20c dis		0.43-0.48dis	-1.42
Nethind.	2.7085-2,7325	2.7296-2.7325	1.57-1.47c pm	6.71	4.85-4,75 pm	7.07
Belgium	46,89-47,00	46,91-46,93	3-5c dis		14-17 die	-1.32
Denmark	8.4900-8.5175	8,5050-8.5100	<u>ساط 1000- کر</u>	0.88	4-7 DIN	0.23
W. Gar.	2.4560-2.4690	2,4650-2,4660	1.36-1.31pf pm	6.50	4.33-4.28 pm	6.98
Portugal	83.10-84 <i>.2</i> 5	83,50-83,75	30-130c dis	-77,49	70-370 dis -	-10,53
Spain	111.00-111.50	111.25-111.30	75-85c dis	-8.63	190-220dis	-7.37
(taly	1,3857-1,3917	1,3891-1,39112	5-5% lire diş	~4.65	16½-18½dis	-5.05
Norway	6.2400-6.2670	6.2530-6.2580	0.20ore pm-0.20	dis —	0.20pm-0.20c	is —
France	6.8200-6.8475	6.8425-6.8475	1 ₄ -1 ₂ c dis	-0.66	1.80-2.30dis	
Sweden	6.0940-6.1060	6.0940-6.0970	par-0.20ore dis	-0.20	1.60-1.40 pm	
Japan	263.10-254.75	254.55-254.65	1.75-1.67y pm		5.58-5.48 pm	
Austria	17.32-17.37	17.35 ¹ 2-17.36 ¹ 2	11½-10gro pm		34-31 pm	7.49
Switz.	2.0550-2.1010	2.0995-2.1005	1.72 ₁ 1.64c pm	9.60	5.24-5,16 pm	9,90

URRENCY	MOVE	WENTS	CURRENCY RATES					
June 24	Bank of England Index	Morgan Guaranty Changes	June 24	Bank rate %		Europea Currenc Units		
rling	120.4 85.9 117.1 95.2 82.4 125.0 145.7	~32.2 +12.5 -21.3 +26.4 -1.2 -14.3 +49.2 +96.0 +23.1 -20.0 -58.6 +26.5	Sterling	12 16,59 65, 14 11 71 ₈ 8 91 ₂ 19 51 ₂	18,9648 51,2109 9,28902	0.55090 0.96078 1.2836 15.6216 45.0176 8.15707 2.36257 6.55448 1332.37 243.559 199530		
ed on trade we chington agreem	ent Decem	det, 1971.	Swedish Kr. Swiss Fr Greek Dr'ch.	10	6,66115 2,28724 N/A	5,85887 2,00631 66,5362		

C\$/SDR rate for June 23: 1.41238.

June 24	ĺ	\	\	-	ı
. 1		.	<u> </u>	Note Rates	l
Argentino Peso AustraliaDollar		15,400-15,450 0,9770 0,9775	Austria Belgium	30.00-30,30 89-90	l
Brazil Cruzelro Finland Markka	294,21 295,21	169,08-169,93	Denmark	14.72-14,86	l
Greek Drachma	119,888 120,574	69,50-70.00	Germany	4.26.4.30	
Hong Kong Dollar		5.8826-5.8875 ; 84.70*	Italy	440-445	Į
KuwaitDinar(KD)	0,5094-0,5014	0.2880 0.2882	Netherlands Norway	4,704,4,743 10,82,10,92	l
Malaysia Dollar	4,0875-4.0975	2,3530-2,3560	Portugal	141-157	l
New Zealand Dir. Saudi Arab. Riyal,	5,9590-5,9670	5,4300-£,4315	Sweden	10,57-10,67	ŀ
Singapore Dollar Sth-African Rand	1.9780-1.9795	! 1.1390-1.1400 [†]	Switzerland United States	3.62-3.66 1.73-1.75	ı
U.A.E. Dirham	6.3790.6,3870	3,6715-3,6785	Yugoslavia	9019-10712	

The fixing rates are the arithmetic means, rounded to the nearest ene-classification of the bid and offered rate for \$10m quoted by the market, to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan

EXCHANGE CROSS RATES

offer 16 5/16

44,9704 8,23400 2,33379 6,61387

2.57971

June 24	Pound St'rling	U.S. Dollar	Deutschem'k	JapaneseYen	FrenchFrenc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	0.576	1.757	4,285	442,5	11,885	3,548	4,733	2409.	2,230	81,45
U.S. Dollar		1.	2,468	254,8	6,844	2,100	2,725	1387.	1,284	46,90
Deutschemark	0,233	0.405	9.684	103,3	2,774	0.851	1,104	562,2	0.520	19.01
Japanese Yen 1,000	2,260	3 .924		1000.	26.86	8.243	10.69	5444,	5.040	184.1
French Franc 10	0.841	1.461	5.605	372,3	10.	3.069	3,982	2027. 4	1.876	68,53
Swiss Franc	0.274	0,476	1,175	121.3	3,258	1.	1,297	660,5	0.511	22,33
Dutch Guilder	0,211	0.367	0.905	95.50	2,511	0.771	1.	509,0	0,471	17,21
Italian Lira 1,000	0,415	0.721	1.779	183.7	4,934	1,514	1.965	1000,	0,926	53,81
Canadian Dollar	0,448	0.779	1,922	198,4	5,330	1,636	2,122	1086.	2.758	36.62
elgian Franc 100	1,228	2.132	5,261	543,3	14,59	4,478	5,810	2958,		100.

±1.6430 ±1.5501 ±1.0888 ±1.3940 ±1.5004 ±1.6691 ±4.1369

FT LONDON INTERBANK FIXING (11.00 a.m. JUNE 24)

offer 16 7/18

bid 16 5/18

					
EURO-CURRENCY IN	ITEREST RATES	5 (Market clos	ing Rates)		
June 24 Sterling	U.S. Canadian Dollar Dollar	Dutch Swiss Guilder Franc		alian Belgian Franc Lira Conv. Fin.	Yen Krone

SUR linked deposits: one-month 12½-13½ per cent; three months 13½-13½ per cent; s.x months 13½-13½ per cent; one-year 13½-13½ per cent. ECU linked deposits: one-month 12½-13½ per cent; three months 12½-13½ per cent; six months 13½-13½ per cent; one-year 13½-13½ per cent; and months 13½-13½ per cent; six months 15½-13½ per cent; six months 15½-15½ per cent; six months 15½-15½ per cent; six months 15½-16½ per cent; nom-nal closing rates. Short-term rates are call for U.S. dollars. Canadian dollars and Japanese year; others two days' not ce.

The following rates were quoted for London dollar certificates of deposit; one-month 15.05-15.15 per cent; three-morths 15.05-15.75 per cent; six months 15.00-16.00 per cent; one-year 15.75-15.95 per cent;

MONEY MARKETS

London rates little changed

UK clearing bank base lending rate 12½ per cent (since June 8) UK interest rates showed little change in London yesterday in generally quiet and featureless trading. The Bank of England forecast a shortage of around £300m with factors affecting the market including bills maturing in official hands and a net take up of Treasury bills - £342m partly offset by Exchequer transactions adding £60m to the system.

The Bank gave assistance of £248m in the morning, comprising purchases of £9m of eligible bank bills in band I (up to 14 days) at 12% per cent and in band 2 (15-33 days) £5m of local authority bills and £85m of back to 124 per cent. Closing eligible bank bills all at 124 per balances were taken up to 13 cent. In band 3 (34-63 days) it bought £2m of Treasury bills

7.21875

MPAN

Call (unconditional) .

3ill discount (three-month)... 7.28125

bills, £3m of local authority bills and £64m of eligible bank bills (64-84 days) all at 121 per cent. Further help of £15m was given in the afternoon, making a grand total of £263m. The afternoon help comprised purchases of £10m of eligible bank bills in band 2 at 12½ per cent and £5m of Treasury bills in band 4 at 121 per cent. In the interbank market over-

night money opened at 121-121 per cent and spent most of the morning at 123-13 per cent before easing to 123 per cent Rates firmed in the afternoon to 131-132 per cent but eased per cent.

In Paris the Bank of France

and £71m of eligible bank bills lowered its call money rate to all at 123 per cent and in band 4 153 per cent from 153 per cent (64-91 days) £9m of Treasury and it is now at the lowest level since March. At the same time the authorities cut their money market intervention rate to 15; per cent from 15; per cent when buying first category paper from the market. These latest moves are seen as part of a continuing policy by the French authorities to reduce interest rates now that the French franc is well placed within the European Monetary System following the

recent devaluation.
In Amsterdam the official call money rate was raised to 7.5 per cent from 6 per cent, having been cut from 8.25 per cent on Wednesday. The end of some Fl 1.1bn of currency swaps accounted for the rise in rates remain comparatively cheap.

EUROCURRENCIES

Brown Shipley & Co. Ltd. (a)(g) Harlands Hee, Haywards H'sh, Sr. 0444 B.S. Umis June 22, 274 9 791.4 B.S. Accust. June 22, 401.5 425.4

Buckuparter Management The Stock Erchange, EC29 217. Back hare Follone 248, 218.1 Accom Units Anne 24, 118.1 Can Fd. anne 23. Arpan Heck. See 23 (118.7). Arpan Heck. See 23 (118.7). Marthors Fd. June 227.9.1 (Accom Urs.) Anne 22 (73.8) Sent. Co. Fd. June 28 (511.8) (Accom Urs.) Anne 16 (511.8)

(Accent Uts.) June 18 | 511.8 | 540.4 | 232 | Canada Life Unit Trust Magers. Ltd. 2-4 high St., Potters 84, Herts. P. Bar 511.22 | 528 | 40.4 | 446 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 |

Cest. Bd. of Fin. of Church of Englands
77 Landon Wall, EC2N 108 01-588 1815
Inv. Fund May 31. 19925 127
Ful. Jul. Secs. May 31. 19925 127
Ful. Jul. Secs. May 31. 1975
Dep Fed. Qr. May 31. 170
Charingo Charities N/R Fundit;
15, Moorgale, London, EC2. 01-638 4121
Internal May 38. 1724

\$ rates firm Euro-dollar rates were gener-

ally firmer yesterday, underpinned by continuing worries over the size of the U.S. Budget deficit and the probability of higher Federal fund rates in the weeks to come. End of month influences may also have served to boost demand. Consequently the dollar was slightly weaker in forward trading showing a wider discount against sterling. However the Deutsche Mark was weaker as its forward premium narrowed although this was a reflection of the Deutsche Mark's improvement against the dollar in the spot market. The Swiss franc and Japanese yen also noved in a similar fashlon while discounts on the forward French although money is still likely to franc narrowed as a reflection of lower domestic interest rates.

LONDON MONEY RATES

MONEY RATES		LONDON MONEY RATES										
NEW YORK Prime rate Fod funds (funch-time)	144-15	June 24 1982	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth- negotiable bonds	Fibance House Deposits	Company Deposits		Treasury	Eligible Bank Bills 4	Fine Trad Bills
Treasury bills (13-week) Treasury bills (26-week)		Overnight	,i	121g-135g	1254 1258-1254	= :		1254-154	121 ₄ -125 ₈	=	= !	_
GERMANY		7 days or 7 days notice	<u> </u>	1271-13	125,	: = :	=	13.134	1212	=	! =	
Combard Overinght rate One month Three months Siz months	9.025 9.15 9.40	One month Two months Three months Six months Nine months One year	12 to 12 to 12 to 13 to 12 to 13 to 12 to 13 to 12 to 13 to	1278-13 1273-1374 1374-1376 1376-1376 1376-1376	127g 134k 131a	, 131 ₂ -131 ₂ 151 ₂ -151 ₂ 131 ₂ -13 131 ₂ -131 ₂ 135 ₂ -13 131 ₄ -13	1278 1378 1378 1376 1376	1314 1314 1334	121, 12 m 12 u	12+1 12+1 12-1-	121; 124; 124; 124;	13.7 13.6 13.6 12.7
FRANCE		Two years		Sarara ha								
Overnight rate One month Three months		rates, nominall are buying rat cent.	y three yean as for protei to salling rati	s 13% per c paper. Buy s for one-mo	ent; four y ying rate f inth Treasul	or four-mon ry bills 12% :	cent five th bank bi per cent	years 14 Hs 12% po zwo monti	per cent f cent; to ns 12% pr	O Bank ur months or cent; t	bolt roses kid abart e tree mont	in tal is 13 t hs 127

cent. Approximate selling rate for one-month Treasury bills 12½ per cent; two months 12½ per cent; three months 12½ per cent; three months 12½ per cent; two months 12½ per cent; three months 12½ per cent; two months 12½ per cent; three months 12½ per cent; two months 12½ per cent; three mon

FT UNIT TRUST INFORMATION SERVICE

- TOTAL	TICOST TIME	ORGINIZATION.
Abber Unit Tst. Mingrs. (2) 1-351 Pads Churchyard, London ECEP 40X 02-236 1833	AUTHORIS	SED TRUSTS
American Growth	Crescent Unit Tst. Moors. Ltd. (a)(g) 4 Mahille Cres., Edinburgh 3 031-225-346 Cres. American 38.0 0.11 +0.3 0.9 Cres. Capital 34.4 24.4 +0.1 34.5 Cres. High Dist. 45.1 45.1 34.3	L & C Unit Trust Management 11d. Red The Stock Exchange, Loadon ECZN 1HA 588 2000. St. St. LAC Inc. Fund. 1839 168 1 494 MC/11 LAC Inc. Fund. 1849 186 1 189 189 189 189 189 189 189 189 189 1
Wortenide Bond 1937 11154 03 44 14 15 15 15 15 15 15 15 15 15 15 15 15 15	Cres. Reterves 557 502 +0.1 0.3 Cres. Tokyo 557 35.6 +0.1 0.3	Legal & General (Unit Tst., Mags.) Etcl. Stayleigh fet, Breunsted 0277 21728 Stayleigh fet, Breunsted 0277 21728 Stayleigh fet, Breunsted 054 162 + 03 430 Rot Emily Acc. 124 140 404 45 746 Chi. 1351 140 46 746 746 1351 140 46 746 746 1351 140 46 746
AHRGR Trest	Total Perf. Unit Tst.20.7 25.3	2 S. Mary Axx, ECJA 68P. 01-623 6114. 1 C.
Resistance Finals 91.0 91.3 623 5.86	Disc. Inc. June 18. 209.1 207.04	Registrat's Dept. Goring-by-Sax; D444 4593.144. Second Billion
Income Funds 102.5 10.00 + 0.3 7.00 10.00	E. F. Winchester Fund Magt. Ltd. 44 Blooksbury Square, WCIA 2RA 01-623889	Energy ist. 27.0 37.7 ±0.7 311 Fines Do. (Actum) 17.9 40.7 ±0.7 311 High Control States 62.8 67.5
Infertaclineal Family	Equity & Law Urs. Tr. M. (a) (b) (c)	Di. (Accient.) 79.8 85.6 +0.8 0.90 7. R. Asterica: 8. Cen. 45.6 47.9 +0.7 1.51 Roy, 7. Di. (Accom.) 45.2 50.3 +0.7 1.52 48.5 7. Profic Essin 45.4 47.6 +0.2 0.96 Capit
Specialist Funds Smaller Co. 's Fd	UK Gweb, Tet, Acc. 23.8 43.2 47. UK Gweb, Tet, Acc. 23.4 41.7 47. UK Gweb, Tet, Inc. 57.4 41.7 47. Higher inc. 151. Acc. 25.9 55.9 55.9 55.9 55.9 55.9 55.9 55.	Small Cos. & Next Ship Ship 245 Pr
Technology Fam. 62.7 52.1 +0.2 3.25 Example Family 16.2 1.7 57.4 1 8.31 For East Evernot 16.5 6 10 3.4 +0.4 2.35 Smaller Co. Exempt 106.2 111.3 -0.2 3.25 U.S.A. Exempt 128.8 133.4 40.1 2.94	Fidelity International Management Ltd. 20, Archarch Law, London EC4N 7AL 253 991 American (2) 253 973 413 409	Emity Access. (2)[290.0 306.3] 3.97 [cont. 2] 4 Local Authorities Manual Invest. Tist. Scient
Anderson Unit Trust Managers Lini. 62, London Wall, EC2R 7DQ 01-636 1200 Anderson U.T	Max. Inc. Eq. 1st	M & C Crests (v)(c)(z) 681
1. Notic St., EC2V 7.IA. 10.296 B181 bc. Horstify Fund [171.0 190.0] 10.296 B181 bc. Horstify Fund [171.0 190.0] 10.295 B181 bc. Horstify Fund [25.5 58.5 5.27 Antitionry Wildler Unit T st. Wignet Ltd. 19, Wildlest St., London, EL 7.Hp. 01.247 8927 Wileler Gerth Pd. Inc. (35.7 38.4 26.9 De. Accum. 45.3 4.3 4.3 4.3 4.3 4.3 4.3 4.3 4.3 4.3 4	10-14, West Nife Street, Glasgow. 041-204 132 J. Finlay Intersur?	(Accum, Units)
De Accum. 46.3 47.8 Arbuthmot Securities Ltd. (a/cc). 37, Gueen St., London, ECAR 187. (01-236 5261 Captal Growth. 34.6 37.1 -0.11 5.02 (Accumulation). 52.2 37.8 -0.2 1.02 (permodity	Finisy Fd. In.Ts. 60.9 44.0	Commenting 182 2 1884 + 0.1 188 S.E.
(Accumulation)	Agier & Geo. 188.6: 94.0 +0.0 9.7 (Action: Units). 88.0 94.0 +0.0 9.7 Am. Taround. 62.2 97.8 +1.0 1.0 (Action: Units). 83.6 97.2 +1.2 1.0 (Action: Units). 83.6 97.2 +0.2 4.8 (Action: Units). 83.6 97.8 -0.2 4.8	Account Units) 25-1 25-2 21 Final Community Co
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High Yels	Robert Fraser Trust Mgt. Ltd. 280 Albemarie St., W.1. 01-493 321 Robe Fraser Ut. Tst. 66.7 70.4	(Accent Units)
Archway Unit Tst. Mgs. Ltn.(a)(c) 317, High Holborn, WC1V 7NL. 01-8316233 Archway Fund	Friends Prov. Trust Managers (a)(h)(c) Pisham End. Ducking. Priends Prov. Units	Second (Julis) 121.6 171.36 -0.1 4.0 6er.
Parsonage Gdrs., Manchester 661-834 2332, Artwright Pi Jane 22 [101.3 107.8]	Public Trastee, Kingoway, WC2. 01-405 4301 Capital Jane 10. [1533 1552 5] 5.07 Cross Inc. Jane 10. [851 87.3 11] High Yield June 10. [89.0] 102.0 10.75 "Unsuth. Restricted to mondes under Court control.	(Access Units) 4323 4669 +12 711 1000
Do. Capital 93.0 100.0 +0.4 5.20 Do. Estas Income 31.2 158.9 +0.8 6.63 Do. Extra Income 31.2 160.7el -0.7 5.77 Do. Financial 93.2 160.7el -0.7 5.77	6.T. Unit Managers Ltd. 16. Finchery Cruss, EC2M 701. 16. T. Cap. Income	S. George's Way, Stevenage. CA35 Sal101 CA
Do. Ger. Pacific Act., 46.7 46.9 46.2 6.91 Do. Ger. Pacific Inc., 46.5 46.7 46.9 46.2 6.91 Do. Growth Acc., 47.5 46.7 46.1 3.92 Do. Income Tract., 1117.7 126.5 46.2 3.00 Do. Per. A. Per. Lett., 15.3 3.92 Do. Pe	G.T. Wei, Bd. Fd. 100.6 101.7 8.00 G.T. Jaspan & Gen. 110.8 111.9 11 0.60 G.T. Jest. F. Jason 9 35.8 2.00 G.T. Jest. F. Jason 9 35.8 11.00 G.T. F. Ext. & Gen. 90.9 92.7 11.00 G.T. Extragam Fam. 08.1 94.7 3.10	14-18, Grestom St., EC2V 7AU 01-605-8079 Scott Income June 14 III.28 III.8 II.41 III.28 III.8
Do. Prf. A'm. Tst. 55-3 SAB +0.2 3.86 Do. Recovery 66-5 71.4 -0.11 48-1 Do. Trustre Fund 171.7 184.6 +1.1 5-0 Do. Widney 6 Tst. 50.0 57.7 +0.6 19 B'st. in. Fd. Acc. 171.7 127.3 +0.4 5.60 Do. Impage 81.6 90.9 +0.2 5.60 Earling Brothers & Co. Lbd.	E. & A. Trest (a) (g) 5 Rayleigh Road, Brentwood C. & A	Regis Rise., King William St., EE4 01-623-9951 22 St., Delphi Iac. Tet. Acc. 356 3743 +0.7 9.38 income Delphi Iac. Tet. Acc. 366 3743 +0.7 9.38 income Gen Fund Acc. 367 388 +0.5 9.38 Accomm Gen Fund Acc. 367 388 403 404 405 406 406 406 406 406 406 406 406 406 406
8. Statemente, EC2N4AE. 2012 01-283 8823 Straton Trust	Sarthurer Fund Managers (a)(g) 25t. Mary Ane. ECSA 88P 01-623-6314 Dealing only: 01-623-5766/5806 American Trust. 25 0 0 14 +0.0 0.4 American Trust. 25 0 0 14 +0.0 0.4 American Trust. 25 16 0 14 +0.0 0.4 American Trust. 25 16 0 14 +0.0 0.2 3.40 Pritch Ts. (Asc.) 25 16 16 16 16 16 16 16 16 16 16 16 16 16	Volcors Hse, 252 Romford Rd, E7. 01-534 5544 Pegas. Mescap
Stock Exchange, London, EC2N H.13. 01-568 6280 Brate Prog. "June 15, 1297 3 65, final	Commonty State 13.7 3.3 4.4.5 3.4. 5.5 4.6. 5.1. 5.1. 5.1. 5.1. 5.1. 5.1. 5.1. 5	30, Gresson St. EC2P 2EB. 917 +0.11 3.51 STRECT GES. Acc. 150.18 140.4 40.1 3.51 STRECT GES. Acc. 150.18 140.4 40.1 3.51 STRECT GES. Acc. 150.18 140.4 40.1 3.51 STRECT GES. Acc. 150.18 140.4 151 140.1 140
Bridge Fund Managers (a)(c) Regk Hse, King William St., EC4. (0623 495). Amer. Gen. 1	les. Agencies 517 39 3157 000 5.58 inc. 6 Get b. Esempt 722.0 199 5.63 incl. 12 (dec.) 47.2 5.0 199 17.77 intl. 15, (Det.) 48.5 522 40.7 1.77 intl. 15, (Det.) 48.5 522 40.7 1.77 intl. 15, (Det.) 48.5 522 40.7 1.77 Special Sits. 15, 59.4 42.4 40.1 3.09 (MKSm. Co. Rec. Irest. 29.0 11.2 146	GR Fand
Executif. 155.0 145.0 16	Govett (John) 77 Landon Wall, 6C2 Stackholders June 11 1852 De Actorn Unit. 2755 St European June 11 1999 Ment dealing June 25. Sriewoone Managament En 144.	Shelfleid, 51300. Tel: 0742 79842 De Middaed Brayton Ronge 400 Son A Copital 500 A Cop
Salisbury Hoses, 31, Finsbury Circus, London EC2 01-638 0478/0479 or 01-588 2777 UK Specialist Faunts Assets 40.5 -0.3 5.12 Recovery 37.6 40.5 -0.3 5.58 Smaller Cos. 40.6 51.7 -0.1 3.66 Sept. Mick, Sis. 47.4 5.11 36	99 Gresham Street, EC2P 2DS 01-606 4433 Razzieroten bine 23 1346 8 367 61 1 4 70	Sitt & Fact. left. 244 . 46.2m +0.2 11.65 Swisson Do. Acc. 272 . 44.02 11.65 Swisson Do. Acc. 272 . 473 +0.2 11.6 Swisson Do. Acc. 272 . 473 - 474 . 4
UK Blue Chip 40.3 43.4ci 4.84 High Incoars Founds 16.1 82.1 8.38 16.2 16.2 16.3	(Accum. Units)	No. Acc. 147 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
6H 220 23.2d +0.1 11.77 Pref. Shares 14.8 13.1m 14.54 Sector Specialist Paras	Endern June 22	Do. Acc. 1590 67.7 -21 4.96 Commo Prices at June 25. Next dealing July 2. Gold Fu

ration (a) (b) (c)

237.283 324

HK Unit Trust Managers Ltd. (a)

SS2, High Holbarn, WC1V 7E8.
Pearl Growth F6. 32.9
Accom Jones 35.4
Pearl Unit 15. 58 AF
Accom Units Dn 4

Pelican Units Admin. Ltd. (gKx)

Transattantic adt Sea. Secs. (c) (y) 71-99, New Louise Rd., Chelester C. (245-5165 Bartistan Jone 24 100.4 106.8 2-25 6.8 (dcom. Jone 3 161.1 162.9 4-45 6.8 (dcom. Jone 3 161.5 162.5 4-45 6.8 (dcom. Jone 3 161.5 4-45 6.8 (dc

MEL Trest Managers Ltd. (a) (g) Milton Court, Dorland, Survey. 4306 88776

Inspide, London, ECZVAAL (1 Dist.* LTW US 795 SEE

Unit Trusts (b) (c) (y)

June 25 le		ant.				
V SERVI	Financial Times Friday June 25 1982 INSURANCES School Life Continued 15 George Front February Februa	•	• 	. •		33
Description of the second	INSURANCES 5. George Barrier 1915 115.8	INSURANCE &	& OVERSEAS MANAGI	ED FUNDS	Granville Management Limited P.O. Box 73, St. Heller, Jersey. Granville lav. 71 (2534 73923 Granville lav. 71 (2537 6.79] 4.79 Ned drailing day July 15.	Quest Fund Max. (Jersey) Ltd. P.O. Box 194, St. Heller, Jersey. Quest Std. Frd. Int. 1857.777 12.770
	Laury Fund		on Resumence Groups For Solar Life Assumence Ltd. ch NRC 34G. 0603 22200 sap San Life Assumence Ltd. f Propola Ltds.	Richopsyste Commodity Ser. Ltd.	Galanness Mahhon Ind. Femd (Gauernesey) PO Ban 188, St. Peier Port, Gernesey, 0402 22505. USS Price	Prices on June 23. Next dealing June 31. Qualities/Heisolid Communities 31-6, Greenen Street, EC2V 7LH. 01-600 417/ Rest. Fd. Int. June 1. (\$1.50 a "15.00").
	Com. Nov. 4 155 4 155 5 127 Crusader Insurance PLC April 109 125 4 116 Town No. 38 Touty St. FC 38401 488 2321	Lioyds Life Assertance		Aghac has 7 23.07 54.73 1.59 CASSION has 7 21.56 1.65 1.59 MAPSA PATS 7.715 1.25 1.25 1.25 Original base 525 and 621 Next wit July 5. Bridge Management Ltd. GPO Box 590, Hong Kong	Hambro Pacific Fund Mgust, Ltd. 2110, Coronapit Centre, Hong Kong For East, Jacob 16 [HSS278 2275	RBC Investment Managers Limited PO Box 246, St. Peter Port, Gorrany, 0481-23021 Intl. Income Fd
	1222 Growth Prop. June 5 1967 110 7ml 122	Co. 8 Own. Artic 20. 1962 2. 1964 40.3 Ordersory Share 2. 1964 10.3 Ordersory Share 2. 1964 10.3 Ordersory Share 2. 1964 10.3 Order 20. 1964 10.3	Person Managed 1542 162 404	Wheth May 31. 175,279	Capitos Reserve Fd. F. 124.99 15.00 0.22 C.I. Fund — Fd. 126.1 289.1 281 Special Site Fund — Fe.1 68.9 22 Serting Instrume Fund 100.9 107.4 11.97 Dollar Instrume Fund 100.9 100 11.50 Trans. Rhat. Treat 90.075 0.922 1347 Instr. Bond 97.89 109.04 102.4	Ramines Managers Ltd. P.O. Br. 1549, Helin, Bernzda. RAMINCO Just 7 BE.65 9.14 — Bichmond Life Ass. Ltd.
A CONTRACTOR	Albany Life Assurance Co. Ltd. American Read, High Wycombe. 0494 33577 10. Did Buringson St. W.J. Alexandra Market Marke	Pens. Pr. Co., Jose 15, 1100.0 109.5 Pens. P. Co. Live 15, 120.0 Pens. Pr.	Columb C	Arts Stretter Cas.Fd. 12, 209 1, 209 6, 50 6, 50 6, 50 7, 60	int Swg. 1915 133 147 147 148 148 148 148 148 148 148 148 148 148	4 Hill Street, Bouglas, 1.0.M. Silver Ts
	Enery Pen-Felder 1934 657 3 + 0.5	Britanth Frade-Ants A Am Sert Co's Jane 16, 191.6 Am Serc Str. Jane 16, 191.6 Commodity Aug 24, 27.0 Ant Serc Str. Jane 26, 191.0 Ant Serc Str. Jane 26, 191.0 Westin Ag.	Tance Co. Ltd. St. ECAP 64(R. 01-626 9876 Index Luterd 1055 112.2 - 0.2 - 112.2 19.4 - 5 112.2 19.4 - 5 112.2 119.6 115.1 110.7 110	Assertion to extraces, 164.5 \$0.0 d 4.00 Augustion Perf. Rd. 26.5 \$70.9 100 Augustion Perf. Rd. 26.5 \$10.7 \$20.9 Augustion Perf. 100.7 \$20.9 Augustion Perf.	Henderson Admin. & Man. (Guernsey) 7 New S., S. Peter Pert, Guernsey 0481 24543/2 American (US cents). 106.0 111.6 — 6 Het. Re. (US. cents). 106.0 121.6 — 6 Git Franty — 9.20 9.75 — 0.03 12.82 Henderson Barling Group 801, Gloucster Toyer, 11. Pedder St., Hong Kong.	UK GR Figed 1220 193.4 173.8 1
Salar Care	AMEY Life Assurance Lid. 1874 1874 1874 1874 1874 1874 1874 1874	Grouth June 24	Windship 128.4	Copton Dep. 17027 17024 17		O.C. America Fd. 152 0f) 2.22 0.00 O.C. Sm. Co. 730 165.3 1.90 O.C. Sm. Co. 730 165.3 1.90 O.C. Downtonthy 749 75.4 1.73 O.C. Distriction 749 2.23 1.33 O.C. Hong Rg. Fd. YT 1825.62 3.73
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	Barriery Pension Fd. 113.1 119.1 Formity A. Managed. 116.8 170.2 Page 179.2 P	GRI, June 160	100	Brown Shipley Tst. Co. (Jersey) Ltd. P70. Box 565, St. Heller, Jersey. C934 74777 Sterling for fit fol[F9.11 9. Heat+0.07] 13.79 Sterling Co., Fit. Co. Litt. 14.59	UK Englises (C.I. P.C.). 142.1 132.1 35 UK Gilk Lily, Fast Inst. 195.0 100.0 1225 inst. Man. (Grovein P.C.). 109.3 112.0 1225 inst. Community Front 140.5	Save & Prosper International
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98	45	8.91	17.22			
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79	4	15.91	12.13			
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97	4	10.28	12.98			
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1992

81gh Law Stock

94 | 65 | Antofagasta Riy...

67 | 55 | Do. 5pc Pref.....

98 | 98 | Chilean Mixed

16 | 13 | Chinese 49gc 1898

13 | 10 | Do. 5pc 1912

102 | 8 | Do. 5pc 1913

102 | 8 | Do. 5pc 1913

103 | Do. 5pc 1913

104 | 20 | Chilean Mixed

105 | 20 | Chilean Mixed

106 | 20 | Chilean Mixed

107 | 40 | Do. 6pc 28 Sth. As.

108 | 871 | Rapu Ref. 15 (12 2011)

107 | 67 | Do. 9pc 19146...

108 | 108 | 108 | 108 | 108 |

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10 Five to Fifte

641; Treasury 3pc 1987....
852; Tress. 12pc 1987....
852; Tress. 12pc 1987....
853; Tressy 73pc 85-88±.
660; Treasury 11-5pc 1998...
854; Treasury 11-5pc 1990...
855; Exch. 12-5pc 1990...
701; Treasury 12-5pc 1990...
704; Treasury 13-5pc 79-9±.
705; Funding 5-3pc 77-9±.
70 Treasury 12-5pc 92±.
814; Treasury 12-5pc 92±.
825; Exch-quer 13-5pc 92±.
826; Exch-quer 13-5pc 1993...
827; Exch-quer 13-5pc 1994...
828; Treasury 12-5pc 92±.
839; Treasury 12-5pc 92±.
845; Exch-quer 13-5pc 1994...
850; Exch- 12-5pc 1995...
864; Treasury 12-5pc 94±.
874; Treasury 12-5pc 95±.
885; Treasury 12-5pc 95±.
886; Exch- 10-5pc 1995...
887; Treasury 12-5pc 95±.
888; Treasury 12-5pc 95±.
889; Treasury 12-5pc 95±.
890; Exch- 10-5pc 1995...
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890; Treasury Five to Fifteen Years 744 | 12 | 4.03 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.8 400 | 9.50
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CHEMICALS,

PLASTICS

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130 - 135 | 155 | 152 | 155 | 152 | 155 | 152 | 155 | 152 | 155 | 152 | 155 | 152 | 155 | 152 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 | 155 |

MACHINE TOOLS

FOOD, GROCERIES, ETC.

Financial Times Friday June 25 1982

ENGINEERING Continued

FOOD, GROCERIES Cont.

| The | Law | Short | Price |

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group - has integrated the London business of The Commercial Bank of Australia Limited, which now forms part of the group, with its own London operations. From 1st April 1982, all our business transactions in London will continue under the name of Bank of New South Wales. The merger of the banks in London has enabled us to enlarge our London Foreign Exchange and Money Market

Bank of New South Wales - Australia's largest banking

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Bank of New South Wales

(Incorporated in Australia with binded liability)
First Bank in Australia
Walbrook House 23 Walbrook London EC4N BLD

es Friday July 2

170	INDUSTRIALS—Continued	LEISURE—Continued ,	PROPERTY—Continued	INVESTMENT TRUST	TS-Cont. OIL AND GA	S—Continued a fully integ	rated banking service
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EEC steelmakers' quotas cut

third quarter production quotas for EEC steelmakers are as much as 20 per cent down on second quarter quotas, because

of sharply falling demand. The commission expects steel consumption within the Com-munity to reach only 24m tonnes in the third quarter, compared with 25m tonnes in the corres ponding period of 1981 and more than 28m tonnes in the first quarter of this year. Second quarter figures are not

Export markets are also contracting, notably because of the U.S. Commerce Department's countervailing duties imposed a week ago on allegedly sub-sidised steel shipments from many European producers.

These duties are expected to

High Noon

House of

ROLAND

the House of Fraser, as he

a number of technical resolu-

tions but were essentially

about a simple matter. House

of Fraser directors were seeking the authority to issue

more shares in the future.

Lonrbo did not want them to

Putting the Lourho arguments was the urbane figures

of Mr Edward du Cann. Con-

servative MP for Taunton

who sits on Lonrho's board.

As the mellifluous tones of

the parliamentarian argued

that the company should not

seek to change itself in any

shape or form while it was the

subject of a bid possibility.

the hard-headed professor of

marketing from Manchester

the rostrum: "You will not

dominate this meeting. The British economy is in bad

time to be here I don't know.

Sit down and I will call you

Professor Smith, contem-

plating the battery of propo-

pals put down by Lonrho, said

"why the hell deesn't Lourho

work with us for the pros-perity of the House of Fraser?

Professor Smith and his

hoard defeated the Lourho

resolutions but Lourne looked

set to defeat two special, and

fairly unimportant resolu-

tions proposed by the Fraser

hoard. Lourho insisted that all

the votes of shareholders must

he subject to a full count.

The results will be announced

How you have the

have this right.

at the

Fraser

By John Moore,

THE EUROPEAN Commission's exports in the next three third quarter production quotas months, bringing total exports down to 5.5m tonnes, compared much as 20 per cent down on with 8.3m tonnes in the third quarter of 1981.

The commission forecasts crude steel output between July and September of 26.2m tonnes, compared with 30.1m tonnes in the corresponding period of 1981 and 32m tonnes in the first quarter of this year.

The cuts are certain to place fresh strains on the Com-munity's prices and production regime. This system of largely mandatory output controls and voluntary price disciplines was maker renewed by member govern- prices ments only weeks ago, and will thus run for a further year sidies paid by different EEC from July 1. However, there governments to steel producers

Although steelmakers' efforts restructure through accelerated closures and capacity cutbacks have yet to make an impact on the EEC's serious steel overcapacity problem, the anti-crisis regime is credited with helping prices rise by an average 25 per cent since mid-

The danger that now faces the system is not only that of lower production. The divisive nature of the U.S. duties could also push some major EEC steelmakers into breaking ranks on

The U.S. assessment of subgovernments to steel producers wipe 1.5m tonnes off EEC steel ket pressures may threaten its Britain, France, Belgium and

effectiveness in the coming Italy with preliminary duties of up to 40 pe rcent. Steelmakers in West Gearmany, the Nether-lands and Luxembourg, on the other hand, were largely spared. The hardest-hit steelmakers

are therefore seeking to make good their lost U.S. markets through increased sales inside the EEC. If this leads to price cuts, it risks destroying the market disciplines of the steel

The Eurofer "club," grouping the EEC's 12 major producers, is due to meet soon to review the worsening market outlook, and to discuss proposals for a system of "burden shar-ing." This would entail those steelmakers still free to export to the U.S. helping to maintain market stability inside the Comare fears that worsening mar- severely penalised producers in munity by making important

Argentine parties press for economic reforms

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

ARGENTINA'S five main politi- ment by raising wages and cal parties yesterday called Rowland's Lonrho clashed yesterday with Rouse of omy. They warned the military leadership that the Argentine Fraser, the Harrod's stores group which Mr Rowland's public would no longer tolerate a military government which reduced living standards and multinational trading group is seeking to take over. plunged the country into the "I suppose you could call gravest crisis in its history.

it High Noon," said Professor Amid continued political ten-Roland Smith, chairman of sions and uncertainties, the parties, grouped into the loose "Multipartidaria" Alliance, opened the annual general meeting of sharebolders in published a detailed "pro-Glasgow. Before him in the gramme for national reconstrucrows were the tion" believed by many observers to be highly inflationary. assembled ranks of Lourho executives ready to do battle. The issue revolved around

The move came as the parties agreed to meet General Reynaldo Bignone, the retired officer nominated by the Army on Tuesday to become President on July 1. The alliance includes the Peronists and the moderate Radicals who to-gether are calculated to command the loyalties of a majority of the population.

The specific economic measures demanded in the economic programme include re-financing the foreign debt, increasing consumption, exports and invest-

cutting borrowing rates, and the lifting of the state of siege for widespread changes in the helping companies in financial running of the country's econdifficulties and people owing tax difficulties and people owing tax and social security payments.

parties also propose credits and incentives for agriculture and industry with special emphasis on oil and gas, regional development and cheap housing. A temporary ban on local imports, across the board wage and pension rises, and an incomes policy tied to increased spending on health, education and housing, are also proposed. A multiple foreign exchange

rate would stimulate exports and halt unnecessary imports while incentives could be given to the export of manufactured goods say the parties. They also want trade with Latin America and Communist countries to take priority.

The parties call for a reduction of public expenditure by the de-nationalisation of unnecessary public sector enterprises. They also propose tax reform with relief for earned income, domestic necessities and productive investment. In the political sphere, the

"multipartidaria" calls for and the ban on political parties and trade union activities and the anouncement of dates for

The programme goes against the known orthodox economic persuasion of Gen Bignone. He has however refused so far to announce his future economic strategies or the name of his choice to succeeed Dr Roberto Economy Minister, who tendered his resignation last week.

Many observers, however, think that political peace is dependent on the acceptance by the Army of at least some of the

Mr Andrew Graham-Yooll. the Latin American specialist of The Guardian left Argentina yesterday after being beaten and kicked by unidentified assailants at 2 am on Wednesday morning. A few minutes Wednesday's attack a man tried to force his way into the room of Mr Hugh O'Shauhnessy, The Financial Times Latin American correspondent. A man was detained but has not as far as is known

Thatcher facing Falklands row

BY PETER RIDDELL, POLITICAL EDITOR

MRS MARGARET THATCHER faces a growing row at Westminster, both over the form of the promised official inquiry weeks before the Argentine invasion of the islands.

This became clear yesterday when the Prime Minister reported on her flying visit to the U.S. She stressed more emphatically than before that "Britain would in due course seek to bring the islands to full self-government." She noted. however, that the islanders would be occupied for some fime with reconstruction. The Prime Minister also said she had not talked very much

national force for the islands. which she thought was some

way off. Considerable divisions have into the origins of the Falklands appeared between Mrs Thatcher crisis and her actions in the and Opposition leaders about the Falklands inquiry. She prefers an inquiry by three people, either existing Privy Councillors or distinguished people who would become such for the inquiry in order to see

secret papers. One member and the chairperson should be nominated by the government, the other by the Labour Party Judges and former Prime Ministers have apparently been ruled out: One member might be a

of Peterhouse, Cambridge) has been mentioned at Westminster. Hrs Thatcher wants the inquiry to report within a few months, and to concentrate on the policies of successive gov ernments since 1965 in order to put the events before the invasion into context.

Mr Foot will tell her that Labour disagrees with these suggested terms of reference. It also wants a rapid inquiry, to report within a few weeks, to concentrate primarily on the events, not the policies, before the invasion of the islands, and to establish where responsibility lies in the government. If Mrs Thatcher were not to

make significant concessions. distinguished historian. The Mr Foot would be prepared to with President Ronald Reagan name of Lord Dacre (the former force a debate and a vote in about the possibility of a multi- Mr Hugh Trevor-Roper; Master the Commons on the issue.

Continued from Page 1

knock out competition.

IBM is facing increasing competition in the main-frame computer market from both Japanese and U.S. companies. Two major IBM competitors are National Advance Systems, which sells Hitachi computers in the U.S., and Amdahl Corpiration, which is tied financially and through technology-exchange agreements with Toshiba another Japanese computer maker.

Japanese computer makers, including Hitachi and Mitsubishi, are also major IBM competitors. In the Japanese

market IBM has lost its position as the number one supplier

of main-frame computers. Charles Smith in Tolgo writes: Mitsubishi Electric Cordescribed charges by the U.S. FBI that it had conspired to have technical information stolen from IB Mas a "terrible mistake," admitted vesterday it had received material relating to IBM computers from a Californian consultancy agency. The source of the material; Glenmar Associates, was the earlier statements by Hitachi, the other comapny mentioned in

IUDE Continued from Page 1

vices which has been operating during the past four days of disruption.

The NUR decision came soon after the Associated Locomotive (Aslef) called off its official strike over service cuts. which began on Monday night. Asief has 2,000 underground drivers - more than half the total - but it called off its strike only on the condition that agreement he reached with the other unions. The third rall union, the Transport Salaried Staffs' Association, also agreed yesterday to

LT said last night that it would be impossible to run any service today, unless a large number of NUR mem hers were to reject the strike call. As well as guards and drivers, theNUR also has signalment among its 14,000 members — nearly three-quarters of the total Underground staff.

NUR members have been refusing to operate timetables introduced by LT on Monday. Unlike Aslef, they have not heen on official strike but have been sent home by manage-

Foot braves growing Militant storm

MICHAEL FOOT, the Labour leader, appeared to rule out any chance of the Trotskyist Militant Tendency organisation remaining in the Labour Party after the he we prepared to ride out the gathering storm of protest from the party's far Left.

In an interview on Thames Television, Mr Foot showed a new determination to follow through the exclusion of Militant to the bitter end by, if necessary, taking steps to prevent those Militant members already selected as Labour candidates from standing for the party at the next election. 'Immediately after

National Executive Committee's decision on Thursday to set up

a register of groups eligible for the destroyed by a tiny number Labour membership, there of people." Labour membership, there were indications that some way of accommodating Militant

of accommodating Militant might yet be found. But despite a mounting outery from the far a mounting outery from the fail
Left yesterday. Mr Foot said
that, as presently constituted,
Militant was a "secret conspiracy" which could not be
part of the party. He could not
see how they could "after their
nature" and comply with the

ruls of the party.
If, as he expected, Millitant was still found to be in breach of theparty rules in three months, then those people who had been "misled" by the mwould have the straight choice of supporting Militant or the Labour Party. The choice would be theirs. "We cannot allow our constitution to

The same choice would have to be made by those seven local parties which have already selected members of Militant as candidates, even though any move to displace them is likely sition to the moves against

Mr Foot's problems are expected to be compounded tonight when an eighth Militant member is almost certain to be selected in place of the sitting Labour MP for Bradford North, Mr Ben Ford. Mr Foot rester-day urged the local party not to vote for Mr Pat Wall, but his appeal does not seem likely

He was also highly contemp-

tuous of Mr Tony Benn, rejecting any idea that Mr Benn would become party leader, and insisted that he himself would lead Labour into the next

come as a relief to many Labour MPS, but it will increase Mr Foot's problems while the Far Left, which made it clear yesterday that it would shall be a highly divisive campaign months to compare the same of the compared to th over the next three months to innaura, prevent conference approving the move to exclude Militant.

This new apparently tough attitude towards Militant will come as a relief to many Frankt. Labour MPs, but it will increase Mr Foot's problems with the Far Left, which made it the far Left.

An editorial in Tribune newspaper, which has recently been taken over by supporters of Mr Benn, warned against reopening the "civil war which has engulfed the party for the past

national action

By John Lloyd, Labour Editor

MR ARTHUR SCARGILL, president of the National Union of Mineworkers, led his executive out of talks with the National Coal Board after three-and-a-half minutes yesterday to threaten national industrial action throughout Britain's coalfields. told several hundred cheering supporters—many of whom had invaded the NCB offices near Victoria station, London—that the hoard had "reneged on an undertaking," given at a meeting on May 19. to produce a list of pits due for

He said that if the board did not withdraw its plans to cease production at Snowdown Col-liery. Kent the NUM executive would decide on industrial action at its meeting next

That decision would be put as a recommendation to the mineworkers' annual conference in Inverness the following week.

He warned that the era of behind the door negotiations was at an end—a reference to the negotiating style adopted by his predecessor, Lord Gormley—and said: "We are now in an era of open negotiations." Mr Norman Siddall, the

board's newly appointed chairman, later emphatically denied Mr Scargill's claims. He said there was no closure or "hit" list of collieries, but admitted that some 50 to 60 pits were uneconomic and "under serious review" at any sven time.

Mr James Cowan, the NCB joint deputy director with responsibility for industrial relations, said he wrote to Mr Scargill on June 15 denying that a promise had been given at the day meeting to produce a list. He had repeated that view at meeting with Mr Scargill on Monday and stressed again the lack of a "hit list."

Mr Scargill told demonstrators — many from Kent — that the fight against closures was not confined to Snowdown, but was a nationwide problem.

"Snowdown is but one of the ssues we have to face. Snowdown's closure means a green light for the Coal Board to close others. We do not intend to allow it to close."

However, indications yester-day pointed to the possibility of splits in the Kent miners' ranks. The area board claims to have received about 280 inquiries from Kent on redundancy terms, nearly 10 per cent of the field's workforce.

The form of action to be

decided on by the NUM is in considerable doubt. Mr Scargill yesterday talked of "direct action"—but it is thought likely that this would stop short of a strike call, which would require a simple majority on a pithead ballot.

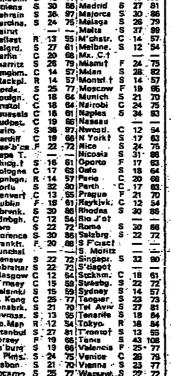
He also sought to widen the ection to include rail and steel unions, partners with the mineworkers in the Triple Alliance Scargill tacties, Page 11

Weather

CLOUDR with outbreaks of rain. Cool. N.E. Scotland, Orkney, Shet-land, Central Highlands.

Mostly dry, bright intervals.
Max. 16C. (61F.).
Rest of UK. Rain, heavy at times. Clearer weather spreading from West. Max. 18C. (61F.). Outlook: Unsettled, rather cool.

WORLDWIDE



Scargill threatens

emerged more or less in line with the forecast in the Cawoods' merger document at £43.5m. While this represents a decline of 7 per cent, the company looks a very different, and more attractive, animal than this time a year ago. In the UK it has cleaned up peripheral activi-ties and loss makers, while the acquisition of Cawoods means that net debt should fall to around 25 per cent of shareholders' funds by the end of the year. With its expanded balance sheet, Redland is now looking aggressively for a sizeable acquisition in the U.S.

tion in the workforce. But in the last two months the company has seen a significant picknumber of housing starts feeding through to brick and tile volumes, and road-building and Abroad the picture is less buovant. A sluggish West

decline in overseas subsidiaries. and improvement is unlikely this year. Both the U.S. and likely to remain so.

on fixed capital during its last two financial years, more than double the amount generated Steel foundries from retained carnings and has tied up £36m in Savoy shares steel foundry sector seemed to which yield next to nothing. So, have foundered last December, significant rise in aggregate largest producer of steel cast rose only one per cent in 1980-depreciation and interest ings in the UK, operating 81, was up 18 per cent last year. charges during the six months to nearly a quarter of the total Austerity has brought its re-April, leaving pre-tax profits capacity. Naturally when it wards.

THE LEX COLUMN

Redland looks to the west

Redland's pre-tax profits have

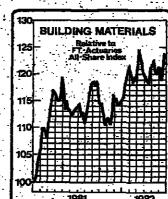
There is even a pick up on the UK trading front. In the year to March volume tumbled by about a tenth, and profits were only held — more or less -through an 11 per cent reducup in demand, with the higher renair activity calling for more aggregates. This demand has been satisfied without increasing labour levels, so margins have responded strongly. If the recovery is sustained profits could increase by £6m or more. Meanwhile, the Cawoods busi-nesses are also performing well.

construction market means that Braas is responsible for most of the 25 per cent Australia have been flat and are

In the current year, the comnany should start to make inroads into its past unrecovered ACT thanks to Cawoods, while the higher proportion of UK profits should also reduce the hutchle earthra may rise up to fifth, which should presage an increase in the dividend — hist covered by current cost earnings. The shares were un-changed yesterday at 1720, where the yield is 6.3 per cent.

Trusthouse Forte

Index fell 1.7 to 554.2



13.6 per cent lower at £12.1m.

But the heavy spending. coupled with careful attention to costs, should now allow any volume benefits to pass straight through to the bottom line. This is already happening. Despite a very dull first quarter, occupancy rates in the London hotels were up 4 percentage points during the first half and the trend is quickening. American tourists have

apparently returned in style. Progress in the provincial hotels is much slower, but here too there has been some pick-up and a March tariff increase, averaging around 10 per cent THF will be leaning heavily on its UK hotels this year to com-pensate for a dull patch elsewhere. The U.S. could well be down, even in sterling terms, and the leisure interests are likely to mark time. Any advance in France will probably be cancelled on translation by the devaluation of the franc.

THE should clear £60m pretax for the full year but, after the rights issue dilution, this would still leave earnings per share lower for the third successive year. At last night's price of 119p, the shares trade on a prospective earnings multiple of roughly 18 times, fully taxed. The gates of the Savoy have opened again, but Trusthouse Forte spent £210m its caretakers look as unwelcoming as éver.

depreciation. On top of that, it peaceful rationalisation of the swing into profit.

remained outside the scheme. looking to pay none of the costs but to pick up tomage closed by the participants, no-

body else was prepared to play. The arrival of new management at Lloyd has allowed the issue to be reopened. Lazards are now incubating a fresh scheme, which may see the light in another month or so.

Objections to the original scheme revolved mainly around fears that too little capacity would actually shut, while com-panies which elected to keep plant open would be compen-sating the "closers" only to find that the slack had been taken up by imports or free-loading domestic foundries. Two new ideas, which have emerged in discussion between Lloyd and Lazards, may soothe doubtful starters.

It is proposed to gear compensation to the actual transfer of tonnage from closers to openers; perhaps as much as a fifth of the levy on continuing producers might he left to depend on their actual gain in output. And declared players will have an unpressured period in which to decide whether their advantage lies in closing or staying open.

Courtaulds

The Courtaulds annual report is, as usual, a mine of information written on what looks like recycled paper. It confirms categorically that the group's problems remain in the UK. and in textiles. The domestic operations produced a return on capital employed of only 7 per cent last year, roughly a quarter of the overseas average. Courtaulds managed to reduce the proportion of capital employed in the UK from 67 to 60 per cent of the total during the year. In 1980-81, working capital reductions were drastic enough to leave a cash inflow of £52.3m after paying £69.3m for

closures and reorganisation. Last year progress was rather slower and working capital could now actually turn up again on any recovery in demand. But, to compensate, Courtaulds is now seeing the benefits of its painful attack on fixed costs. In fabrics, for instance, operating cash flow fell Lezard Brothers' plan for a trading balance showed a £13m

Underlying this performance was a marked improvement in even after last year's £84m when F. H. Lloyd decided not the group's productivity. Value rights issue, it has incurred a to take part. Lloyd is the added per employee, which

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